DOCUMENT RESUME

ED 254 136 HE 018 101

TITLE	Characteristics of CAL Grant Applicants and Recipients. A Preliminary Report on California Student Aid Commission Grant Programs, 1980-81 to 1983-84. Commission Report 84-33.
INSTITUTION	California State Postsecondary Education Commission, Sacramento.
PUB DATE	10 Dec 84
NOTE	108p.
AVAILABLE FROM	California Postsecondary Education Commission, 1020 Twelfth Street, Sacramento, CA 95814.
PUB TYPE	Statistical Data (110) -- Reports - Descriptive (141)
EDRS PRICE	MF01/PC05 Plus Postage.
DESCRIPTORS	*College Students; Community Colleges; Eligibility; *Financial Aid Applicants; *Grants; Postsecondary Education; Private Colleges; *Scholarships; *State Aid; State Colleges; Student Costs; *Student Financial Aid; Trend Analysis
IDENTIFIERS	*California Student Aid Commission

ABSTRACT

Characteristics of applicants and recipients of California Student Aid Commission (CAL) grants and trends in aid for 1980 to 1984 are discussed. Information is also provided on characteristics and patterns of specific aid programs: the CAL Grant A State Scholarship Program, the CAL Grant B Opportunity Grant Program, and the Cal Grant C Occupational Training Grant Program. Trends are reported on: competition for CAL grants, low rates of application completion, applications from and eligibility of private college students, relative declines in middle-income applicants, the gap between grant availability and number of applicants, the impact of eligibility limitations, the reduced proportion of awards to new high school graduates, the gap between the grant amount and educational costs, and low rates of renewal among community college students. For each of the three grants, information is provided on: application patterns and applicant characteristics, program provisions affecting the distribution of awards, renewal of grant awards, and need remaining after receipt of CAL grants and Pell program grants. Factors responsible for changes in each program are also identified. (SW)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED254136

HE 018 141

CHARACTERISTICS OF CAL GRANT APPLICANTS AND RECIPIENTS

A Preliminary Report on California Student Aid Commission Grant Programs

1980-81 to 1983-84

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

This document has been reproduced as received from the person or organization originating it.
Minor changes have been made to improve reproduction quality.

- Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

POSTSECONDARY
CALIFORNIA
EDUCATION
COMMISSION

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

California Postsecondary Education Commission

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

CALIFORNIA POSTSECONDARY
EDUCATION COMMISSION

The California Postsecondary Education Commission was created by the Legislature and the Governor in 1974 as the successor to the California Coordinating Council for Higher Education in order to coordinate and plan for education in California beyond high school. As a state agency, the Commission is responsible for assuring that the State's resources for postsecondary education are utilized effectively and efficiently; for promoting diversity, innovation, and responsiveness to the needs of students and society; and for advising the Legislature and the Governor on statewide educational policy and funding.

The Commission consists of 15 members. Nine represent the general public, with three each appointed by the Speaker of the Assembly, the Senate Rules Committee, and the Governor. The other six represent the major educational systems of the State.

The Commission holds regular public meetings throughout the year at which it takes action on staff studies and adopts positions on legislative proposals affecting postsecondary education. Further information about the Commission, its meetings, its staff, and its other publications may be obtained from the Commission offices at 1020 Twelfth Street, Sacramento, California 95814; telephone (916) 445-7933.

CHARACTERISTICS OF CAL GRANT APPLICANTS AND RECIPIENTS

A Preliminary Report on California
Student Aid Commission Grant Programs, 1980-81 to 1983-84

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
1020 Twelfth Street, Sacramento, California 95814

Commission Report 84-33
Adopted December 10, 1984

CONTENTS

Page

INTRODUCTION 1

Origins of the Report 1
Sources of Data 2
Assumptions 3

ONE: GENERAL CHARACTERISTICS OF CAL GRANT APPLICANTS AND RECIPIENTS 5

1. Increasing Competition 5
2. Low Rates of Application Completion 5
3. Little Increase in Applications from Independent Institutions 5
4. Declines in Eligible Applicants from Independent Institutions 6
5. Relative Declines in Middle Income Applicants 6
6. Increasing Gap Between Number of Grants and Number of Financially-Needy Applicants 6
7. Increased Impact of Eligibility Limitations 7
8. Reduced Proportion of Awards to New High School Graduates 7
9. Increasing Gap Between the Size of Each Grant and Educational Costs 8
10. Low Rates of Renewal Among Community College Students 9

TWO: CAL GRANT A APPLICANTS AND RECIPIENTS 11

Application Patterns and Characteristics of Applicants 11
Program Provisions Affecting the Distribution of New Cal Grant A Awards 24
Distribution and Characteristics of New Cal Grant A Recipients 34
Cal Grant A Recipients, Pell Grants, and Remaining Need 43
Renewal of Cal Grant A Awards 48
Community College Reserve Portion of the Cal Grant A Program 50

THREE: CAL GRANT B APPLICANTS AND RECIPIENTS 57

Application Patterns and Characteristics of Applicants 57
Program Provisions Affecting the Distribution of New Cal Grant B Awards 68
Distribution and Characteristics of New Cal Grant B Recipients 71
Cal Grant B Recipients, Pell Grants, and Remaining Need 78
Renewal of Cal Grant B Awards 81

FOUR: CAL GRANT C APPLICANTS AND RECIPIENTS 85

Application Patterns and Characteristics of Applicants 85
Program Provisions Affecting the Distribution of New Cal Grant C Awards 90
Distribution and Characteristics of New Cal Grant C Recipients 92
Cal Grant C Recipients, Pell Grants, and Remaining Need 96
Renewal of Cal Grant C Awards 97

REFERENCES 99

FIGURE

Page

1. Total Applicants and Eligible Applicants for First-Time Cal Grant A Awards, 1978-79 Through 1983-84 12

TABLES

1. Number of Cal Grant A Applicants by Segment, 1980-81 to 1983-84 13

2. Number of Cal Grant A Applicants by Segment and Academic Level, 1980-81 to 1983-84 14

3. Change in the Number of Cal Grant A Applicants by Segment and Student Level, 1980-81 to 1983-84 15

4. Dependency Status of Cal Grant A Applicants by Segment, 1980-81 to 1983-84 17

5. Family-Income Distribution of Financially Dependent Cal Grant A Applicants by Segment, 1980-81 to 1983-84 19

6. Family Income Distribution of Financially Dependent Cal Grant A Applicants by Segment, 1980-81 to 1983-84 in Constant 1980 Dollars 20

7. Student and Spouse Income of Financially Independent Cal Grant A Applicants by Segment, 1980-81 to 1983-84 22

8. Grade-Point Distribution of Cal Grant A Applicants by Segment, 1980-81 to 1983-84 23

9. Number of Cal Grant A Applicants Ineligible Because of the Income Ceiling, in Current and Constant Dollars, 1980-81 to 1983-84 28

10. Needy Eligible Cal Grant A Applicants by Segment and Academic Level, 1980-81 to 1983-84 29

11. Grade-Point Cutoffs for the Cal Grant A Program by Academic Level of Applicants, 1980-81 to 1983-84 33

12. Number of Cal Grant A Applicants with Grade-Point Averages of 3.4 or Above by Segment and Family Income Level, 1980-81 to 1983-84 34

13. Number of New Cal Grant A Recipients by Segment, 1980-81 to 1983-84 35

14. Number of Cal Grant A Recipients by Academic Level and Segment, 1980-81 to 1983-84 36

15. Number of First-Time Cal Grant A Recipients by Segment and Dependency Status, 1980-81 to 1983-84 38

16. Income Distribution of Dependent Cal Grant A Recipients by Segment, 1980-81 to 1983-84 39

17. Grade-Point Distribution of New Cal Grant A Recipients by Segment, 1980-81 to 1983-84 41

18. Ethnic Composition of New Cal Grant A Recipients, 1980-81 to 1983-84 42

19. Average Tuition and Required Fees and Maximum Cal Grant A Awards by Segment, 1980-81 to 1983-84 44

20. Number of Cal Grant A Renewal Recipients by Segment, 1980-81 to 1983-84 49

21. Cal Grant A Renewal and Loss Rates, 1980-81 to 1983-84 49

22. New Community College Reserve Winners by Segment, 1980-81 to 1983-84 51

23. Percentage of Community College Reserve and Regular Cal Grant A Recipients with Family Incomes Below $12,000, 1980-81 to 1983-84 52

24. Percentage of Self-Supporting Community College Reserve Winners Compared to Regular Cal Grant A Recipients, 1980-81 to 1983-84 52

25. Number of Cal Grant B Applicants by Segment, 1980-81 to 1983-84 58

26. Dependency Status of Cal Grant B Applicants by Segment, 1980-81 to 1983-84 60

27. Family Income Distribution of Financially Dependent Cal Grant B Applicants by Segment, 1980-81 to 1983-84 61

28. Family Income Distribution of Financially Dependent Cal Grant B Applicants by Segment, 1980-81 to 1983-84, in Constant 1980 Dollars 63

29. Student and Spouse Income of Financially Independent Cal Grant B Applicants by Segment, 1980-81 to 1983-84 65

30. Grade-Point Distribution of Cal Grant B Applicants by Segment, 1980-81 to 1983-84 66

31. Number of New Cal Grant B Recipients by Segment, 1980-81 to 1983-84 72

32. Number of First-Time Cal Grant B Recipients by Segment and Dependency Status, 1980-81 to 1983-84 72

33. Income Distribution of Dependent Cal Grant B Recipients by Segment, 1980-81 to 1983-84 74

34. Grade-Point Distribution of New Cal Grant B Recipients by Segment, 1980-81 to 1983-84 75

35. Number of New Cal Grant B Recipients by Ethnicity and Segment, 1980-81 to 1983-84 77

36. Number of Cal Grant B Renewal Recipients by Segment, 1980-81 to 1983-84 82

37. Cal Grant B Renewal and Loss Rates, 1980-81 to 1983-84 82

38. Persistence Rates Among New 1980-81 Cal Grant B Recipients by Segment, 1980-81 to 1983-84 83

39. Number of Cal Grant C Applicants by Segment, 1980-81 to 1983-84 86

40. Number of Cal Grant C Applicants by Academic Level and Segment, 1980-81 to 1983-84 87

41. Dependency Status of Cal Grant C Applicants by Segment, 1980-81 to 1983-84 88

42. Family Income Distribution of Financially Dependent Cal Grant C Applicants by Segment, 1980-81 to 1983-84 89

43. Student and Spouse Income of Financially Independent Cal Grant C Applicants by Segment, 1980-81 to 1983-84 90

44. Number of New Cal Grant C Recipients by Segment, 1980-81 to 1983-84 93

45. Number of New Cal Grant C Recipients by Academic Level and Segment, 1980-81 to 1983-84 94

46. Income Distribution of Financially Dependent Cal Grant C Recipients by Segment, 1980-81 to 1983-84 95

47. Ethnic Composition of New Cal Grant C Recipients, 1980-81 to 1983-84 96

48. Number of Cal Grant C Renewal Recipients by Segment, 1980-81 to 1983-84 97

INTRODUCTION

ORIGINS OF THE REPORT

During the last five years, the cost of attending college in California increased sharply, while the State increased student aid funds only minimally, and the federal government severely reduced its aid programs. As a result, concern has risen about the continued ability of the State's grant programs to provide college access and choice to financially needy undergraduates.

This increasing concern was evident in Supplemental Budget Language adopted by the Legislature in the 1984-85 Budget Act calling on the Commission to examine the California Student Aid Commission's grant programs:

> Student Financial Aid Study. In order to assess the extent to which existing state student financial aid programs meet stated goals, the Legislature directs the California Postsecondary Education Commission to examine the characteristics of Student Aid Commission grant program applicants and recipients over the past several years. This assessment should include, but not be limited to, an analysis of the following:
>
> (a) the characteristics of applicants and application patterns;
>
> (b) program provisions affecting eligibility;
>
> (c) characteristics of recipients and distribution of awards among students and segments;
>
> (d) mechanisms and program provisions affecting the distribution of awards, including determination of need, income ceilings, number of first-time awards, and criteria for rationing available first-time awards;
>
> (e) program relationships including the interaction among state grant programs and between state programs and [the] federal Pell Grant program; and
>
> (f) the renewal process including the community college reserve portion of the Cal Grant A program and renewal requirements for other Cal Grant A and B recipients.
>
> The Postsecondary Education Commission shall submit a preliminary report on program characteristics to the Joint Legislative Budget Committee and the fiscal committees by November 30, 1984, and a final report outlining a range of possible policy options and their implications by February 15, 1985 (Item 6420-001-001).

This report constitutes the preliminary report on program characteristics called for in this Supplemental Budget Language. It also represents the second part of the Commission's comprehensive analysis of how California students meet the costs of attending college and of the effectiveness of existing State and federal financial aid programs in assuring access for needy students.

The first part of the Commission's analysis was the staff report, Meeting the Costs of Attending College, released in April 1984. That initial report examined the financial characteristics of the State's undergraduates and the differences in the economic circumstances of students attending the different segments; explored the cost of attendance in the segments and looked at the factors that produce cost differences; analyzed how undergraduates and their families meet the cost of attendance; and described how similar students in different segments use parental contributions, student contributions, grant aid, and loans to meet their college costs.

The current report focuses on those California undergraduates who in recent years applied for financial assistance from the State's two major undergraduate grant programs -- the Cal Grant A State Scholarship Program and the Cal Grant B Opportunity Grant Program -- and the much smaller Cal Grant C Occupational Training Grant Program. In Part One it describes the general characteristics of all Cal Grant applicants and recipients and recent trends. In Parts Two through Four it examines each program in terms of the Legislature's charge in its Supplementary Budget Language, including recent trends in application patterns, provisions affecting eligibility, characteristics of applicants and recipients, factors affecting the distribution of awards, program interaction, and the renewal process. In each part, it attempts to identify the factors responsible for changes in these program characteristics.

The issues raised in this report -- and to be addressed still further in a subsequent report due to the Legislature in February 1985 -- include these questions:

1. Are the State's two major Cal Grant programs effectively meeting their stated goals and the needs of California's financially needy college and university undergraduates?

2. How do existing eligibility requirements, program provisions, funding levels, and statutory limits on the number of grants affect the distribution of awards among students and segments?

3. What impact have increasing educational costs and cutbacks in federal aid programs had on the effectiveness of State programs and on the relationship among State, federal, and institutional aid?

4. And would some other program structures, eligibility requirements, program provisions, or funding levels better meet program goals and the needs of California students?

SOURCES OF DATA

The primary sources of data for this analysis are the California Student Aid Commission's complete applicant/recipient files for both first-time and renewal applicants for Cal Grant A, B, and C awards for 1980-81 through 1983-84, and its files on institutional costs and characteristics. These computerized data files have been merged into four student aid master files by Postsecondary Education Commission staff -- one file for each of the four application/award years. These files contain specific information on the demographic, financial, and academic circumstances of each applicant, as well as an assessment of the applicants' costs or "budget" at the institution that he or she seeks to attend, the ability of parents to contribute toward meeting these costs, the applicants' individual earnings, eligibility for federal Pell Grant aid, and other relevant data.

Information gained from the analysis of these data were supplemented with data on program characteristics published by the Student Aid Commission Research Office, the Student Aid Commission's Student Expenses and Resources Survey, the College Scholarship Service, and other available sources.

ASSUMPTIONS

In undertaking this study, the Commission staff has operated on these four general assumptions:

1. An analysis of the characteristics of Cal Grant applicants and recipients will increase understanding of the ways in which demographic factors and institutional charges influence the number and types of students who seek financial assistance to attend college.

2. An examination of changes in the characteristics of Cal Grant recipients will increase understanding of the ways in which application patterns and program provisions influence the distribution of awards among students and segments as well as the appropriateness of current statutory restrictions on the number of grants and the adequacy of present funding levels.

3. An analysis of the interaction among Cal Grant programs and between them and the federal Pell Grant program will reveal the extent to which each program serves different or similar groups of students and the extent to which they complement one another, and

4. An examination of the renewal process -- particularly the Community College reserve portion of the Cal Grant A program and the renewal requirements for other Cal Grant A and B recipients -- will illuminate the extent to which these programs facilitate the transfer of financially needy undergraduates from Community Colleges to four-year public and independent institutions and the timely progress of other grant recipients from lower-division work toward the baccalaureate degree.

The Commission welcomes reactions to this report and, in particular, to its success in achieving these understandings, in order to assure that the final report in this series will outline for the Legislature the best possible policy options for State-funded student financial aid in the future.

ONE

GENERAL CHARACTERISTICS OF CAL GRANT APPLICANTS AND RECIPIENTS

Ten facts characterize the three major undergraduate Cal Grant programs of the California Student Aid Commission and their student applicants and grant recipients:

1. INCREASING COMPETITION

The competition for the 14,933 new Cal Grant A, 6,825 Cal Grant B, and 1,337 Cal Grant C awards has increased greatly in recent years because of the sharp rise in the number of applicants. Total applications have increased from 69,027 in 1980-81 to 90,996 in 1983-84 for Cal Grant A, from 41,437 to 56,082 for Cal Grant B, and from 14,934 to 21,972 for Cal Grant C.

2. LOW RATES OF APPLICATION COMPLETION

The number of students completing applications is less than the number who begin the application process, particularly in the Cal Grant B program. In 1980-81, only 60.3 percent of those who started the Cal Grant B application process actually completed the required forms, and in 1983-84, 59.4 percent did so. The comparable figures for the Cal Grant C program were 58.8 and 63.7 percent, and for the Cal Grant A program, 72.5 and 73.4 percent.

These figures strongly suggest that high achieving students from either low-income or more advantaged backgrounds have less difficulty than do disadvantaged students completing all the paperwork required to apply for financial aid. The Student Aid Commission has made efforts to simplify that process in recent years, but the problem persists.

3. LITTLE INCREASE IN APPLICATIONS FROM INDEPENDENT INSTITUTIONS

The size of the independent institutions' Cal Grant applicant pools increased much more slowly than those of other participating segments:

- The number of Cal Grant A applicants from independent institutions increased by only 1,095, or just 6.7 percent between 1980-81 and 1983-84, at a time when State University applicants jumped by 9,547 and those from the University grew by 5,045.

- Their Cal Grant B applicants increased by only 627, compared to 3,956 in the Community Colleges, 1,720 in the State University, and 1,397 in the University.

- Their Cal Grant C applicants grew by just 244, compared to 3,678 in the Community Colleges, and 2,540 in proprietary and other private institutions. (The University and State University do not participate in this vocational-technical training grant program.)

4. DECLINES IN ELIGIBLE APPLICANTS FROM INDEPENDENT INSTITUTIONS

The number of low-income and middle-income Cal Grant A applicants to the University and State University increased over the four-year period, but at independent institutions substantially fewer students applied from families with incomes below $36,000. Increases in these applicants also occurred in the Cal Grant B program at the three public segments, but again at independent institutions fewer students applied from families with incomes below $24,000. In fact, in both of these programs, almost the entire increase at independent institutions occurred among applicants from families whose incomes were too high to remain eligible for grants. At least 60 percent of the increase in the University's Cal Grant A pool and 72 percent of the growth in its Cal Grant B pool also occurred among similar applicants, but the State University's applicant pool exhibited similar growth only in the Cal Grant B program.

5. RELATIVE DECLINES IN MIDDLE INCOME APPLICANTS

In both the Cal Grant A and B programs, the relative size of the middle-income applicant group declined considerably. Much of the apparent upward shift in the income distribution among applicants to these programs stemmed from the impact of inflation on family incomes, but adjusting for inflation, the greatest increase in applications actually occurred among those with 1980-equivalent incomes below $12,000 in both programs and above $42,000 in the Cal Grant A program or above $36,000 in the Cal Grant B program.

6. INCREASING GAP BETWEEN NUMBER OF GRANTS AND NUMBER OF FINANCIALLY-NEEDY APPLICANTS

Between 1980-81 and 1983-84, the statutory limits on the number of new awards in all three programs were not increased, but the number of financially-needy applicants increased sharply, as did the competition for the limited number of new grants.

- The number of new Cal Grant A awards remained at 14,933, but the number of needy eligible applicants who were turned down without a grant increased from 15,215 to 27,208.

- The gap between the number of needy eligible applicants and authorized new Cal Grant B awards widened from 10,692 to 26,498. Most of these fully-qualified applicants were from extremely low-income, disadvantaged families, and yet for every one of them who received a new Cal Grant B award, more than three were turned away.

- The gap was widest in the Cal Grant C program expanding from 5,981 to 10,996 and increasing the ratio of successful to unsuccessful applicants from 1:4 to 1:8.

7. INCREASED IMPACT OF ELIGIBILITY LIMITATIONS

Each program has certain provisions that affect eligiblity and the distribution of new awards:

- All programs require potential recipients to demonstrate financial need, but over the four years they all restricted eligiblity still further.

  The Cal Grant A and C programs use the same income ceiling. Yet after 1981-82, this income ceiling was not adjusted to reflect inflation. This eliminated sizable numbers of the most academically able Cal Grant A applicants from the University and independent institutions. Its impact was less dramatic in the Cal Grant C program only because a smaller proportion of its applicants exceeded the income ceiling.

  The Cal Grant B program, on the other hand, uses an income-family size matrix in its scoring system to limit eligibility. It eliminated sizable numbers of applicants from large families with incomes over $22,500 because it weighted income more heavily than family size in determining program eligibility.

- The statutory limit on new awards greatly increased competition for available new grants and made all elements for rationing each program's awards more sensitive. In the Cal Grant A program, heightened competition raised the grade-point cutoffs, particularly in 1981-82. In the Cal Grant B program, all elements of its complex scoring system became relatively more important, but most decisive were applicants' grade-point scores and those they received on a series of subjective questions about their background and goals. Finally, in the Cal Grant C program, with nine eligible applicants for every available new grant, the designation of job market shortage occupations and all elements in its scoring system proved critical for selection.

8. REDUCED PROPORTION OF AWARDS TO NEW HIGH SCHOOL GRADUATES

- Dramatic increases in the number of older applicants decreased the chances of applicants just finishing high school to secure grants. In the Cal Grant A program, the practice of allocating new awards on the basis of the percentage of needy eligible applicants at each academic level, together with this increase in the number of older applicants shifted more new grants to self-supporting applicants and to those who were already enrolled in college and away from those applying directly from high school. In contrast, the 16 unit limitation for eligibility in the Cal Grant B program assured that almost all of its new grants went to recent high school graduates. Yet in the Cal Grant C program, older applicants included students already enrolled in vocational programs as well as those seeking job retraining and those who had begun their postsecondary education in academic programs and then switched to vocational-technical training. These older applicants secured a larger percentage of available new Cal Grant C awards by scoring better on the program's eligibility criteria, since a greater percentage of these awards were not reserved for those who had already begun their postsecondary education.

9. INCREASING GAP BETWEEN THE SIZE OF EACH GRANT AND EDUCATIONAL COSTS

The rapid increases in the costs of attending either public or independent institutions not only exceeded the rate of inflation, the rise in family incomes, and the availability of federal Pell grants, but also the reduced assistance of Cal Grant awards. The lack of adjustment in the maximum amount of Cal Grant awards for these increases meant that recipients got insufficient funds from their grants to cover their educational costs.

- The unmet need of Cal Grant A recipients increased from $1,622 in 1980-81 to $2,889 in 1983-84 at the State University, $1,374 to $2,474 at the University, and from $2,124 to $4,320 at independent institutions.

- The unmet need of Cal Grant B recipients increased even more. Although their grants included $1,100 for subsistence, the fact that first-year recipients cannot receive grants for tuition or fees meant that extremely low-income first-year recipients faced major costs at four-year institutions that were uncovered by either their Pell or Cal Grants. In fact, by 1983-84, the average remaining need of these first-year recipients ranged from $2,175 at the State University to $7,460 at independent institutions.

- The same general trend was evident for Cal Grant C recipients, because their maximum grants have not been increased since the program's inception in 1973-74, while college and proprietary school costs have risen sharply.

- One of the consequences of the failure of both federal and Cal Grant aid to increase the number of awards or to cover their traditional share of college costs has been a substantial increase in the number of students relying on loans to help finance their educations and a rise in their average cumulative indebtedness.

10. LOW RATES OF RENEWAL AMONG COMMUNITY COLLEGE STUDENTS

The Community College reserve portion of the Cal Grant A program provides between 2,000 and 3,000 new reserve awards each year to high-ability students who plan to transfer to a four-year institution after attending a Community College. However, less than half of the new recipients in the reserve program either renew their awards or transfer with them the following year, and even fewer remain in the program at the end of two years. These numbers are quite low considering the recipients' high level of prior academic achievement.

The renewal rate of first-year Cal Grant B recipients attending Community Colleges is slightly above 60 percent, but it is unclear how many of these recipients eventually transfer successfully to four-year institutions and complete their baccalaureate.

Further research will be undertaken to identify the reasons for these facts, and suggestions for action will be outlined as needed in the Commission's final report on these grant programs.

TWO

CAL GRANT A APPLICANTS AND RECIPIENTS

The Cal Grant A Program, established as the California State Scholarship program in 1955-56, provides grants to a limited number of talented but financially needy undergraduates so that they can complete four years of college at the institution of their choice. When the 1960 Master Plan Survey Team suggested that some of the State's impending enrollment growth be accommodated at independent institutions, the goals were expanded to include encouraging independent institutions to expand their enrollments. Later, it sought to assist these institutions to attract and maintain their enrollments. Nonetheless, its basic objective remains largely unchanged -- to assist academically able, financially needy students to attend either public or independent colleges and universities.

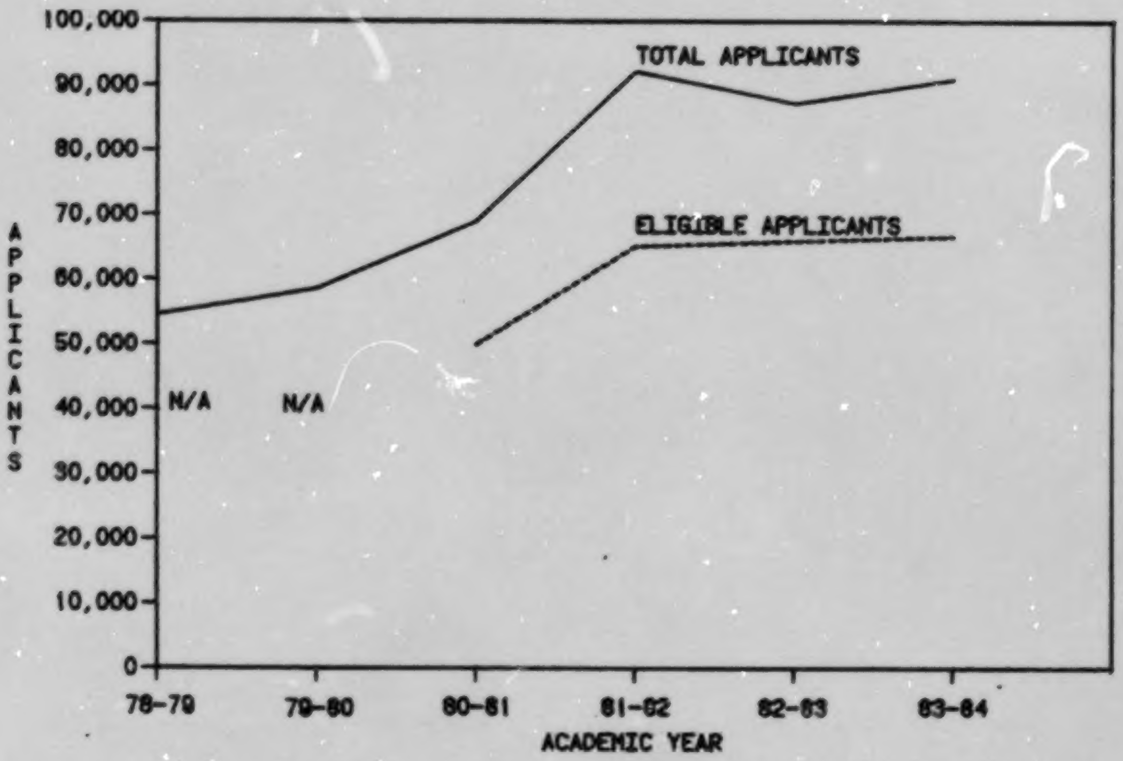
Despite the general continuity of its objectives, the Cal Grant A Program has expanded and changed dramatically over the past three decades. From fewer than 1,000 first-time awards in its early years, the number of awards increased steadily to 6,000 by 1970-71, and following Legislative approval for substantial increases in this number during the early 1970s, to 14,930 by 1977-78, where it has remained virtually unchanged through 1983-84. Total Cal Grant A awards, including renewals, have remained between 39,500 and 40,000 awards over the last seven years, while total program funding peaked at $64.3 million in 1981-82 and then declined to $61.8 million in 1983-84.

APPLICATION PATTERNS AND CHARACTERISTICS OF APPLICANTS

The total number of applicants for first-time Cal Grant A awards increased dramatically between 1978-79 and 1983-84, but this increase has been uneven, as illustrated in Figure 1 on page 12. From 54,604 applicants in 1978-79, the number increased slightly to 58,636 in 1979-80, rose to 69,027 in 1980-81, jumped to 92,180 in 1981-82, dropped to 87,236 in 1982-83, and then rose again to 90,996 in 1983-84. The most striking change was the sharp increase in 1981-82, followed by relative stability since then. The reasons for these two patterns are not clear, but several possible causes will be examined later in the report.

Not all of these applicants completed their applications. Some failed to provide all the necessary information, while others did not submit a Student Aid Application for California to the College Scholarship Service. Still other applicants were ineligible for a Cal Grant A award, either because they did not wish to enroll in a program of at least two years duration, were not enrolled or planning to enroll for at least six units per term, had already completed more than six semesters or nine quarters of postsecondary study, sought to attend institutions that are not eligible to participate, had not been residents of California for at least one year, or were not citizens or permanent residents of the United States. Still others failed to file all the needed forms before the annual deadline of February 9th.

FIGURE 1 *Total Applicants and Eligible Applicants for First-Time Cal Grant A Awards, 1980-81 to 1983-84*



Source: California Student Aid Commission Applicant/Recipient Data Tapes

All of these applicants were ineligible for grants and are not discussed hereafter. The remaining eligible applicants are the ones for whom complete information exists, and thus they are the only ones whose characteristics are analyzed here.

Applicants' Choice of Institution

The overall growth of more than 33 percent in the number of eligible first-time applicants between 1980-81 and 1983-84 was not distributed evenly among the four-year segments, as Table 1 shows. Among the three major segmental participants in the program, the California State University had the greatest absolute and relative increases in applicants: more than 9,500, or more than 52 percent. Further, 81 percent of this increase occurred in 1981-82.

A similar, if less dramatic, pattern was evident at the University of California: an increase of 5,045, or 36 percent. Again, nearly 80 percent of that increase occurred in 1981-82.

TABLE 1 Number of Cal Grant A Applicants by Segment, 1980-81 to 1983-84

Segment	1980-81 Number	1980-81 %	1981-82 Number	1981-82 %	1982-83 Number	1982-83 %	1983-84 Number	1983-84 %
State University	18,303	36.6%	26,064	40.0%	27,006	41.0%	27,850	41.7%
University	14,010	28.0	17,983	27.6	18,733	28.4	19,055	28.5
Independent	16,228	32.4	19,488	29.9	18,430	27.9	17,323	25.9
Other Private	1,467	2.9	1,629	2.5	1,780	2.7	2,531	3.8
TOTAL	50,028	100.0%	65,172	100.0%	65,967	100.0%	66,760	100.0%

Source: California Student Aid Commission (CSAC) Applicant/Recipient Data Tapes.

Independent institutions, however, failed to increase the size of their applicant pool appreciably. As in the two public segments, the number of applicants increased between 1980-81 and 1981-82 by 3,260, or by over 20 percent. But the number of independent college applicants then dropped by more than 1,000 in each of the next two years. Overall, the independent institutions' pool increased by only 1,095, or 6.7 percent, over this four-year period.

Proprietary and other private institutions, such as the American Conservatory Theatre, Fashion Institute, and Westland College enrolled no more than 3.8 percent of applicants over these years, but they increased their number by almost as many applicants as the independent institutions -- 1,064 -- and by 72.5 percent.

As a result of these widely varied growth rates, the segmental distribution changed in important ways. State University applicants accounted for nearly 42 percent of all eligible applicants in 1983-84, compared to less than 37 percent four years earlier. University applicants accounted for nearly identical proportions of total applicants in both periods, while those from independent colleges and universities dropped sharply from over 32 percent of the total in 1980-81 to just under 26 percent in 1983-84. This shift is only one of a number of important changes in the distribution and composition of the Cal Grant A applicant pool in the past four years that have had a profound effect on the distribution of awards among students and segments.

Academic Level of Applicants

As noted earlier, students may apply for a new Cal Grant A award if they have not yet completed six semesters or nine quarters of postsecondary education -- typically their third or junior year. The Student Aid Commission defines four different academic levels based on applicants' status at the time they apply for awards: Level 1 consists of students applying as high school seniors; Level 2, of college freshmen; Level 3, college sophomores, and Level 4 upper-division students who have not completed their junior year.

The distribution of applicants by academic level and segment has changed markedly since 1980-81, as Table 2 shows, primarily by an increase among

TABLE 2 Number of Cal Grant A Applicants by Segment and Academic Level, 1980-81 to 1983-84

Segment and Level	1980-82 Number	1980-82 %	1981-82 Number	1981-82 %	1982-83 Number	1982-83 %	1983-84 Number	1983-84 %
State University								
Level 1	13,031	71.2%	16,523	63.4%	17,086	63.3%	17,379	62.4%
Level 2	2,101	11.5	4,093	15.7	4,201	15.6	4,171	15.0
Level 3	2,429	13.3	4,261	16.3	4,569	16.9	4,918	17.6
Level 4	742	4.0	1,186	4.6	1,148	4.2	1,382	5.0
University								
Level 1	8,644	61.7	10,856	60.4	11,150	59.5	11,616	61.0
Level 2	2,074	14.8	2,980	16.6	3,154	16.8	2,807	14.7
Level 3	2,406	17.2	3,099	17.2	3,191	17.0	3,364	17.6
Level 4	886	6.3	1,047	5.8	1,237	6.6	1,268	6.8
Independent								
Level 1	10,316	63.6	11,569	59.4	10,863	58.9	10,643	61.4
Level 2	2,594	16.0	3,484	17.9	3,440	18.7	2,846	16.4
Level 3	2,295	14.1	3,134	16.1	2,915	15.8	2,671	15.4
Level 4	1,023	6.3	1,301	6.7	1,212	6.6	1,163	6.7
Proprietary & Other Private								
Level 1	819	55.8	843	51.7	934	52.4	1,238	48.9
Level 2	437	29.8	538	33.0	550	30.9	903	35.7
Level 3	176	12.0	195	12.0	235	13.2	304	12.0
Level 4	45	3.1	50	3.1	61	3.4	86	3.4
All Segments								
Level 1	32,818	65.6	39,801	61.1	40,045	60.7	40,877	61.2
Level 2	7,207	14.4	11,095	17.0	11,248	17.0	10,727	16.1
Level 3	7,306	14.6	10,690	16.4	10,912	16.5	11,257	16.9
Level 4	2,697	5.4	3,584	5.5	3,659	5.5	3,899	5.8

Note: Level 1 is high school seniors; 2, college freshmen; 3, college sophomores; and 4, upper-division students who have not completed their junior year.

Source: CSAC Applicant/Recipient Data Tapes.

those already enrolled in college. In 1980-81, 65.6 percent of all applicants were high school seniors applying for a new award for their freshman year in college, while the other 34.4 percent of applicants were already enrolled in college. By 1983-84, 8,059 more high school seniors applied than had four years earlier, but they accounted for 61.2 percent of all applicants. Now nearly four out of every ten applicants were already enrolled in college -- an increase of 8,673 since 1980-81.

The most pronounced shift between the proportion of applicants who were high school seniors and those already enrolled in college occurred in the State University and in proprietary and other private institutions eligible to participate in the Cal Grant A program. At the State University, the percentage of all applicants who were high school seniors dropped from 71 to 62 percent. At the proprietary institutions, the percentages declined from 56 to 49 percent.

The number of applicants in each segment who were high school seniors versus those who were already enrolled varied markedly among the four segments over this period, as Table 3 shows. In the State University, for example, the high school applicants increased by 4,348, or 33.4 percent, while those who were already enrolled increased by 5,199, or 98.6 percent. In the University, the number of high school applicants increased by 2,972, or by 34.4 percent, while those from students already enrolled climbed by 2,073, or

TABLE 3 *Change in the Number of Cal Grant A Applicants by Segment and Student Level, 1980-81 to 1983-84*

	1980-81	1983-84	Change	
Segment and Level	Number	Number	Number	Percent
State University				
High School Seniors	13,031	17,379	+4,348	+33.4%
Already Enrolled	5,272	10,471	+5,199	+98.6
University				
High School Seniors	8,644	11,616	+2,972	+34.4
Already Enrolled	5,366	7,439	+2,073	+38.6
Independent				
High School Seniors	10,316	10,643	+ 327	+ 3.2
Already Enrolled	5,912	6,680	+ 768	+13.0
Proprietary and Other Private				
High School Seniors	819	1,238	+ 419	+51.2
Already Enrolled	648	1,293	+ 645	+99.5
All Segments				
High School Seniors	32,818	40,877	+8,059	+24.5
Already Enrolled	17,210	25,883	+8,673	+50.4

Source: CSAC Applicant/Recipient Data Tapes.

38.6 percent. The slow rate of growth in the number of independent college and university applicants was particularly evident in the increase of just 327 high school seniors, or 3 percent; and an increase of 768, or 13 percent, in already enrolled applicants. Among proprietary institutions, the largest increase also occurred among already enrolled applicants, where the number nearly doubled.

Since the number of first-time awards in the Cal Grant A program is determined in part by the proportion of all applicants at each of the four educational levels, the shift toward an increasing number and percentage of college freshmen and sophomores applying and the segmental differences in these patterns had a major effect on the eventual distribution of awards with more awards going to State University and proprietary students.

The Dependency Status of Applicants

Any description of the financial resources of California's student aid applicants must resolve the question of whose income is most appropriate to consider -- that of the applicant's parents or that of the applicant and, if married, his or her spouse. The answer to this question depends on whether applicants are financially dependent on their parents for financial support or are financially independent and self-supporting.

Federal and California criteria for determining students' dependency status differ, with the State criteria being more stringent. According to the State's definition, students are considered financially independent if they meet three tests: (1) they were not claimed as income tax dependents by their parents or legal guardians for both the past three years and the current school year; (2) they did not live in their parents' or legal guardians' home for more than six weeks in the past three years or the current one; and (3) they did not receive $750 or more in direct financial support from their parents or legal guardians in any of these years.

There has been only a slight increase in the ratio of dependent to independent applicants during these four years, although the number of independent applicants has increased at a substantially faster rate -- 65.4 to 28.6 percent -- as Table 4 shows. In the State University and at proprietary institutions, the number of independent or self-supporting applicants more than doubled and increased from 14.7 to 21.6 percent and from 20.2 to 26.4 percent of all State University and proprietary institution applicants, respectively. In part, the marked increase in these applicants in these two segments was yet another reflection of the substantial increase these segments experienced in the number of their applicants who were already enrolled. Most pre-freshman applicants are still dependent on their parents for support, while those already enrolled in postsecondary education are somewhat older and may meet the State's three-year criteria for independent status.

At the University of California, the number of its dependent and independent applicants increased at nearly identical rates, and dependent applicants continued to account for seven out of every eight applications. In the independent institutions, on the other hand, the number of self-supporting

TABLE 4 Dependency Status of Cal Grant A Applicants by Segment, 1980-81 to 1983-84

Segment and Status	1980-81 Number	1981-82 Number	1982-83 Number	1983-84 Number	Change 1980-81 to 1983-4 Number	Change 1980-81 to 1983-4 Percent
State University						
Dependent	15,612	21,162	21,562	21,850	+6,218	+ 39.8%
Independent	2,691	4,902	5,444	6,020	+3,329	+123.7
University						
Dependent	12,288	15,806	16,282	16,680	+4,392	+ 35.7
Independent	1,722	2,177	2,451	2,375	+ 653	+ 37.9
Independent						
Dependent	14,393	17,157	16,332	15,539	+1,146	+ 8.0
Independent	1,835	2,331	2,098	1,784	- 51	- 2.8
Proprietary and Other Private						
Dependent	1,171	1,204	1,338	1,863	+ 692	+ 59.1
Independent	296	425	442	668	+ 372	+125.7
All Segments						
Dependent	43,472	55,335	55,531	55,913	+12,441	+ 28.6
Independent	6,556	9,837	10,436	10,847	+ 4,291	+ 65.4

Source: CSAC Applicant/Recipient Data Tapes.

applicants increased only in 1981-82, and then declined sharply for two successive years, so that 51 fewer self-supporting applicants applied from that segment in 1983-84 than had applied three years earlier.

Of greater significance was the unevenness in the segmental shares of the increasing numbers of dependent and independent applicants. Almost exactly half of the overall increase in the number of dependent applicants occurred in the State University. University applicants accounted for an additional 35 percent, but independent institutions accounted for scarcely 9 percent. At the same time, self-supporting State University applicants accounted for 78 percent of the overall increase among these applicants; those at the University, for 15 percent; and those at independent institutions, for none.

Family Income of Dependent Applicants

As noted earlier, at least 70 percent of all Cal Grant A applicants in each segment depend on their parents for financial support. In the University and independent institutions, nearly 90 percent are dependent. Table 5 shows how the family-income distribution for dependent applicants in all four segments has changed over the past four years.

As might be expected, segmental differences in the family-income distribution of these applicants reflected differences in the family-income distribution of their undergraduates and the substantial differences in their cost of attendance. For example, over 75 percent of these applicants in the low-priced State University came from families with incomes of less than $24,000 in 1980-81, as did 63 percent in 1983-84. In the somewhat higher-priced University of California, on the other hand, 55 percent of its dependent applicants came from families with incomes below $24,000 in 1980-81, but only 43 percent did so by 1983-84 as the cost of attendance increased sharply and an increasing proportion of middle-income students now sought financial aid in order to attend. At independent institutions, only 51 percent of dependent applicants were from families with incomes of less than $24,000 in 1980-81, since many middle-income students required financial aid to meet their high costs; and nearly 10 percent of dependent applicants came from families with incomes of $42,000 or more. By 1983-84, just 38 percent of dependent applicants at these institutions had family incomes below $24,000, while over 27 percent were from families earning $42,000 or more.

The most striking changes occurred in the family-income distribution of financially dependent applicants at independent institutions. The number of these applicants declined between 1980-81 and 1983-84, with an overall loss of 1,911 and sizeable losses in every family-income category below $36,000. The drop in applicants in the categories of "Under $12,000" and "$12,000 - $23,999" approached 20 percent. A small increase of 176 dependent applicants occurred in the $36,000 to $41,999 income range, but the only sizeable increase occurred in the range of $42,000 or more. In other words, almost the entire increase in the dependent applicant pool at independent institutions occurred among students whose families had incomes that exceeded the Cal Grant A program's income ceiling for eligibility, although many of them could demonstrate financial need since the cost of a single year at these institutions often reached $11,000 to $13,000 in 1983-84.

The decline in the percentage of dependent applicants from families with incomes below $24,000 and the rapid increase in the percentage of applicants from families with incomes above $42,000 stemmed in part from the impact of inflation during this period. In analyzing the financial circumstances of these applicants, the important questions are whether their actual family income distribution changed between 1980-81 and 1983-84 in constant dollars and, if so, how and to what extent. To answer these questions, the family-income distribution displayed in Table 5 for each segment during 1983-84 was adjusted for actual changes since 1980 in the median family income of California families whose heads were between 40 and 54 years of age. This age range was used because these families were most likely to have children of

TABLE 5 *Family-Income Distribution of Financially Dependent Cal Grant A Applicants by Segment, 1980-81 to 1983-84*

Segment and Income in Thousands	1980-81		1981-82		1982-83		1983-84		Change 1980-81 to 1983-84	
	#	%	#	%	#	%	#	%	#	%
State University										
$0-11.999	5,433	34.8	6,602	31.2	6,695	31.0	6,757	30.9	+1,324	+ 20.0%
12-23.999	6,073	38.9	7,454	35.2	7,313	33.9	7,060	32.3	+ 987	+ 13.2
24-35.999	3,204	20.5	4,916	23.2	4,640	21.5	4,698	21.5	+1,494	+ 30.4
36-41.999	556	3.6	1,132	5.3	1,264	5.9	1,350	6.2	+ 794	+142.8
42 and Up	346	2.2	1,058	5.0	1,650	7.6	1,965	9.0	+1,619	+470.6
University										
$0-11.999	2,540	20.7	2,871	18.2	2,909	17.9	2,943	17.7	+ 403	+ 15.9
12-23.999	4,282	34.8	4,854	30.7	4,518	27.7	4,294	25.7	+ 12	+ 0.2
24-35.999	3,551	28.9	4,341	27.4	4,226	26.0	4,025	24.1	+ 474	+ 13.3
36-41.999	1,074	8.7	1,584	10.0	1,671	10.3	1,596	9.6	+ 522	+ 48.6
42 and Up	841	6.8	2,156	13.6	2,958	18.2	3,822	22.9	+2,981	+354.4
Independent										
$0-11.999	2,855	19.8	2,962	17.3	2,509	15.4	2,255	14.5	- 600	- 21.0
12-23.999	4,540	31.5	4,652	27.1	4,222	25.8	3,647	23.5	- 893	- 19.7
24-35.999	4,232	29.4	4,751	27.7	4,101	25.1	3,810	24.5	- 422	- 10.0
36-41.999	1,409	9.8	1,849	10.8	1,629	10.0	1,585	10.2	+ 176	+ 12.5
42 and Up	1,357	9.5	2,943	17.2	3,870	23.7	4,242	27.3	+2,885	+212.6
Proprietary and Other Private										
$0-11.999	345	29.5	327	27.2	322	24.1	482	25.9	+ 137	+ 32.5
12-23.999	421	40.0	417	34.6	429	32.1	588	31.6	+ 167	+ 39.7
24-35.999	288	24.6	289	24.0	321	24.0	469	25.2	+ 181	+ 62.8
36-41.999	68	5.8	96	8.0	111	8.3	130	7.0	+ 62	+ 91.2
42 and Up	47	4.0	75	6.2	155	11.6	194	10.4	+ 147	+312.8

Source: CSAC Applicant/Recipient Data Tapes.

college age. Table 6 on page 20 shows the income distribution in both years in terms of 1980 dollars and includes an index based on the relative size of each income group. This index is designed to reveal the character of changes in the family-income distribution of these applicants between 1980-81 and 1983-84.

TABLE 6 Family Income Distribution of Financially Dependent Cal Grant A Applicants by Segment, 1980-81 and 1983-84, in Constant 1980 Dollars

Segment and Income	1980-81 Number	1980-81 Percent	1983-84 Number	1983-84 Percent	Change	Index
State University						
$0-11,999	5,433	34.8%	8,839	40.5%	+3,406	116
$12,000 - $23,999	6,073	38.9	7,896	36.2	+1,823	93
$24,000 - $35,999	3,204	20.5	3,741	17.2	+ 537	84
$36,000 - $41,999	556	3.6	645	3.0	+ 89	83
$42,000 and Above	346	2.2	709	3.2	+ 363	145
University						
$0 - $11,999	2,540	20.7	4,110	24.7	+1,570	119
$12,000 - $23,999	4,282	34.8	5,436	32.6	+1,154	99
$24,000 - $35,999	3,551	28.9	4,276	25.7	+ 725	89
$36,000 - $41,999	1,074	8.7	1,239	7.4	+ 165	85
$42,000 and Above	841	6.8	1,619	9.7	+ 778	143
Independent						
$0 - $11,999	2,855	19.8	3,260	21.0	+ 375	106
$12,000 - $23,999	4,540	31.5	4,804	30.4	+ 264	96
$24,000 - $35,999	4,232	29.4	4,230	27.2	- 2	92
$36,000 - $41,999	1,409	9.8	1,371	8.8	- 38	90
$42,000 and Above	1,357	9.5	1,872	12.0	+ 515	126
Proprietary and Other Private						
$0 - $11,999	345	29.5	648	34.8	+ 303	118
$12,000 - $23,999	421	40.0	717	38.4	+ 296	96
$24,000 - $35,999	288	24.6	366	19.6	+ 78	80
$36,000 - $41,999	68	5.8	64	3.4	- 4	50
$42,000 and Above	47	4.0	66	3.5	+ 19	88

Source: CSAC Applicant/Recipient Data Tapes. Computations by Postsecondary Education Commission Staff using data from Department of Finance Current Population Survey data on median incomes in California of families with heads between 40 and 54 years of age.

These appear quite different from those in Table 5. Of particular note is the marked increase in the proportion of applicants at both ends of the income spectrum and the relative decline in the size of the middle-income group, especially those with 1980-equivalent incomes between $24,000 and $41,999. This pattern is evident in all three major segments, although at independent institutions the relative size of the lowest income category did not increase as rapidly at they did at the State University and University. The size of the independent institutions' middle-income group did not decline quite as sharply as in the public segments either, where the percentage of applicants in the $24,000 to $41,999 ranges were only 83 to 89 percent as large as they had been four years earlier, although the incomes that corresponded to the 1980 "$24,000 to $41,999" range had increased to between $30,600 and $53,550 by 1983-84. And at upper levels, a marked increase occurred in applicants from families with 1980-equivalent incomes of $42,000 and above in 1983-84. More applicants from such families were attending independent than public institutions at both the start and end of this period, but this group increased by more than 43 percent in both public segments by 1983-84, probably in response to rapid increases in their required fees and other attendance costs beginning in 1981-82.

Income Distribution of Financially Independent Applicants

The income of financially independent or self-supporting applicants includes both taxable and non-taxable earnings of the applicants themselves and, in the case of married applicants, the earnings of their spouses. Table 7 on page 18 shows the income distribution of these applicants for each segment.

As Table 7 shows, the State University had the largest number of self-supporting applicants during this period. It also experienced the most substantial increase in such applicants, with the number more than doubling. The University and the proprietary institutions had more modest increases, with the rate of increase most marked among those with incomes above $6,000.

As with financially dependent applicants, the trend among self-supporting applicants at independent institutions gives cause for concern. Although these institutions still had over 1,780 independent students applying in 1983-84, they experienced an overall drop of nearly 3 percent in the number of these applicants. Their number of those with incomes below $3,000 dropped by 82 or by nearly 9 percent, while those with incomes between $3,000 and $6,000 declined by 95 or nearly 18 percent. Moreover, although the number of applicants with incomes in the "$6,000 to $8,999" and "$9,000 to $11,999" ranges increased over the four years, they also showed marked declines after peaking in 1981-82 or the following year. Furthermore, the increase in applicants with incomes of $12,000 or more leveled off after 1982-83, and in constant dollars the size of this group also declined over the four-year period. Whatever the full explanation for this pattern, which almost certainly includes both the psychological and very real financial barrier of high tuition, the decline in the size of the self-supporting applicant pool at independent institutions cannot be attributed to Cal Grant A income ceilings or the inability of such applicants to demonstrate their need for substantial amounts of aid.

TABLE 7 Student and Spouse Income of Financially Independent Cal Grant A Applicants by Segment, 1980-81 to 1983-84

Segment and Income in Thousands	1980-81 #	1980-81 %	1981-82 #	1981-82 %	1982-83 #	1982-83 %	1983-84 #	1983-84 %	Change 1980-81 to 1983-84 #	Change 1980-81 to 1983-84 %
State University										
$0-2.999	1,495	55.6	2,685	54.8	2,914	53.5	3,253	54.0	+1,758	+117.6%
3-5.999	838	31.1	1,317	26.9	1,345	24.7	1,465	24.3	+ 627	+ 74.8
6-8.999	241	9.0	538	11.0	744	13.7	799	13.3	+ 558	+231.5
9-11.999	81	3.0	163	3.3	267	4.9	250	4.2	+ 186	+229.6
12 and Up	36	1.3	188	3.8	174	3.2	243	4.0	+ 207	+575.0
University										
0-2.999	1,077	62.5	1,359	62.4	1,455	59.4	1,433	60.3	+ 356	+ 33.0
3-5.999	456	26.5	517	23.7	626	25.5	560	23.6	+ 104	+ 22.8
6-8.999	122	7.1	180	8.3	232	9.5	230	9.7	+ 108	+ 88.5
9-11.999	33	1.9	57	2.6	69	2.8	66	2.8	+ 33	+100.0
12 and Up	34	2.0	64	2.9	69	2.8	86	3.6	+ 52	+152.9
Independent										
$0-2.999	942	51.3	1,200	51.5	998	47.6	860	48.2	- 82	- 8.7
3-5.999	534	29.1	588	25.2	528	25.2	439	24.6	- 95	- 17.8
6-8.999	176	9.6	273	11.7	300	14.3	218	12.2	+ 42	+ 23.9
9-11.999	88	4.8	112	4.8	101	4.8	95	5.3	+ 7	+ 8.0
12 and Up	95	5.2	158	6.8	171	8.2	172	9.6	+ 77	+ 81.0
Proprietary and Other Private										
$0-2.999	138	46.6	206	48.5	171	38.7	222	33.2	+ 84	+ 60.9
3-5.999	100	33.8	128	30.1	139	31.4	228	34.1	+ 128	+128.0
6-8.999	32	10.8	42	9.9	78	17.6	116	17.4	+ 84	+262.5
9-11.999	16	5.4	27	6.4	24	5.4	52	7.8	+ 36	+225.0
12 and Up	16	5.4	22	5.2	30	6.8	29	4.3	+ 13	+ 81.2

Source: CSAC Applicant/Recipient Data Tapes.

Grade-Point Distribution of Applicants

The Cal Grant A program was originally called the State Scholarship program, and awards are still distributed or rationed among eligible students with demonstrated financial need on the basis of their grade-point averages. As Table 8 shows, sizeable differences exist in the grade-point distribution of Cal Grant A applicants among the segments.

In part, these differences are a reflection of the academic selectivity of each segment. The University of California's high admission standards were evidenced by nearly half of its applicants having 3.4 grade-point averages and nearly three-fourths having averages above 3.0. On the other hand, more than 50 percent of the State University's applicants and over 55 percent of

TABLE 8 Grade-Point Distribution of Cal Grant A Applicants by Segment, 1980-81 to 1983-84

Segment and Grade Point	1980-81		1981-82		1982-83		1983-84		Change 1980-81 to 1983-84	
	#	%	#	%	#	%	#	%	#	%
State University										
Under 2.5	4.163	22.7%	6,173	23.7%	6,632	24.6%	6,743	24.2%	+2,580	+62.0%
2.5-2.79	3,115	17.0	4,540	17.4	4,726	17.5	4,839	17.4	+1,724	+55.3
2.8-2.99	2,093	11.4	3,277	12.6	3,235	12.0	3,512	12.6	+1,419	+67.8
3.0-3.19	2,634	14.4	3,654	14.0	3,784	14.0	3,878	13.9	+1,244	+47.2
3.2-3.39	2,234	12.2	2,906	11.1	3,081	11.4	3,191	11.4	+ 957	+42.8
3.4 & Up	4,027	22.0	5,514	21.2	5,545	20.5	5,686	20.4	+1,659	+41.2
University										
Under 2.5	1,038	7.4	1,535	8.5	1,689	9.0	1,754	9.2	+ 716	+69.0
2.5-2.79	1,071	7.6	1,556	8.6	1,680	9.0	1,722	9.0	+ 651	+60.8
2.8-2.99	1,030	7.4	1,422	7.9	1,539	8.2	1,479	7.8	+ 467	+45.3
3.0-3.19	1.623	11.6	2,304	12.8	2,441	13.0	2,322	12.2	+ 699	+43.1
3.2-3.39	1,996	14.2	2,589	14.4	2,556	13.6	2,583	13.6	+ 587	+29.4
3.4 & Up	7,252	51.8	8,577	47.7	8.828	47.1	9.177	48.2	+1,925	+26.5
Independent										
Under 2.5	1,982	12.2	2,773	14.2	2,591	14.0	2,504	14.4	+ 522	+26.3
2.5-2.79	2,082	12.8	2,805	14.4	2,588	14.0	2,423	14.0	+ 341	+16.4
2.8-2.99	1,658	10.2	2,099	10.8	1,777	10.7	1,887	10.9	+ 229	+13.8
3.0-3.19	2,073	12.8	2,648	13.6	2,429	13.1	2,316	13.4	+ 243	+11.7
3.2-3.39	1,978	12.2	2,239	11.5	2,199	11.9	2,042	11.8	+ 64	+ 3.2
3.4 & Up	6,455	39.8	6,924	35.5	6,646	36.0	6,151	35.5	- 304	- 4.7
Proprietary and Other Private										
Under 2.5	402	27.4	471	28.9	529	29.7	724	28.6	+ 322	+80.1
2.5-2.79	263	17.9	309	19.0	340	19.1	400	15.8	+ 137	+52.1
2.8-2.99	184	12.5	212	13.0	218	12.2	319	12.6	+ 135	+73.4
3.0-3.19	199	13.6	228	14.0	258	14.5	349	13.8	+ 150	+75.4
3.2-3.39	135	9.2	135	8.3	178	10.0	154	6.1	+ 19	+14.1
3.4 & Up	290	19.8	274	16.8	257	14.4	421	16.6	+ 131	+45.2

Source: CSAC Applicant/Recipient Data Tapes.

those from proprietary institutions had grade-point averages below 3.0, although more than 20 percent of the State University's applicants had averages of 3.4 or better. The averages of the independent institutions' applicants fell in between those of the University and the State University -- 35 to 40 percent had grade-point averages of 3.4 or above, while at least 35 percent had averages below 3.0.

The most rapid increases occurred among applicants in the lower end of the grade-point spectrum. Overall, there were nearly 7,000 more applicants with grade-point averages below 2.8 by 1983-84 than in 1980-81. Such averages have rarely been high enough in recent years to secure a Cal Grant A award, although some of these applicants secured Cal Grant B awards -- a topic that will be developed more fully later.

The number of applicants with grade-point averages above 3.0 increased quite substantially -- up 3,963 for those with grade averages of 3.0 to 3.39, and 3,411 for those with averages of 3.4 or above. This growth greatly heightened the competition for the limited number of first-time awards. By 1983-84, 38,003 applicants with averages of 3.0 or better, including 21,168 with averages of 3.4 or better, were competing for only 14,900 new awards. Not all of these applicants were able to demonstrate financial need, however, and many others who could demonstrate need were from families with incomes above the program's ceiling.

While the number of applicants at public institutions with grade-point averages of 3.4 or better increased by 3,584, the number of such applicants at independent institutions dropped by 304. In fact, the number of applicants at independent institutions with averages of 3.0 or above increased by just three, compared to an increase of 7,071 in the two public segments. Furthermore, a large proportion of independent institution applicants with high averages came from families with incomes above the Cal Grant A ceiling.

PROGRAM PROVISIONS AFFECTING THE DISTRIBUTION OF NEW CAL GRANT A AWARDS

The changes discussed above in the Cal Grant A applicant pool had a considerable impact on the distribution of new awards among students and segments. Yet, at least five program provisions and features had an even more dramatic impact on this distribution: (1) procedures for setting student budgets and determining financial need, (2) methods for setting and adjusting the family income ceiling, (3) statutory limits on the number of new awards, (4) unit limits on applicant eligibility and the allocation of new awards among students at different educational levels, and (5) the use of grade-point averages to distribute awards. The following paragraphs examine each of these provisions in turn and evaluate its impact.

Setting Student Budgets and Determining Financial Need

Setting and Adjusting Student Budgets: Systematic variations obviously exist among students in their educational costs or "budgets," regardless of the institution they attend. For instance, those who reside at home and commute to campus generally spend less than those who live away from home, either in dormitories or off campus, and the costs for those living away from home tend to be higher in certain areas than in others. Similarly, the expenses of married students or single parents are typically greater than those faced by single students, including as they do higher costs for housing, food, and child care.

The Student Aid Commission and most financial aid offices distinguish among six different student budget categories based on these systematic differences in students' marital status and residence during the school year: (1) single at home, (2) single on campus, (3) single off campus, (4) married without children, (5) married with children, and (6) single parent. Through its Student Expense Budget Committee, the Student Aid Commission develops and annually updates expected student budgets in each of these categories for use in assessing the ability of students and their families to pay for college and thus students' financial aid eligibility. The final element in each individual student's budget is the tuition and required fees charged by the institution that he or she seeks to attend.

Determining Parents' Expected Contributions: To be eligible for Cal Grant awards, applicants must demonstrate financial need under the nationally utilized need analysis system developed by the College Scholarship Service (CSS) to assure consistent, equitable treatment for all financial aid applicants. The College Scholarship Service explains the assumptions of this "uniform methodology" as follows (1983, p. 9):

> The underlying assumption of the CSS need analysis system is that parents have an obligation to finance the education of their children to the extent that they are able. . . . Another major assumption of the CSS need analysis system is that the size of the family and any extraordinary expenses that the family may have must be considered in order to measure the true ability of the family to contribute to educational costs. So, too, must such factors as the age of parents, the value of the parents' assets, and the number of working parents be weighed -- factors that will alter a family's financial strength.

For financially dependent students, then, the size of expected parental contribution is a major determinant in assessing students' ability to pay the costs of attendance and hence in assessing their financial need.

Setting Student Contribution Levels: The College Scholarship Service, the California Student Aid Commission, and nearly all financial aid officers expect students as well as their parents to help pay the costs of their education. Often referred to as "student self help," this contribution can take a variety of forms, including savings from summer employment, earnings from academic-year exployment, and obligations to repay loans. Student contributions from savings and earnings are considered immediate or direct forms of self-help, while loans are indirect because of their deferred repayment obligation. Only direct forms of self-help are examined in this section.

For financially dependent applicants, the California Student Aid Commission uses standard student contribution levels that vary depending upon their parental contribution levels because of its belief that students' earning potential varies depending upon the financial position of their family and its recognition that some low-income families expect their children to contribute some of their earnings to help support the family itself. In 1980-81, its expected student contribution levels ranged from $275 to $875 for pre-freshmen and from $425 to 975 for continuing students. By 1983-84, these levels ranged from $200 to $1,800, depending on parent contribution levels, with the maximum student contribution level being reached at approximately $24,000 of family income. Continuing students were expected to contribute an additional $150 at each family contribution level.

For financially independent or self-supporting applicants, the Student Aid Commission uses the "uniform methodology" to assess their ability to help pay the cost of their education, but it also sets a minimum contribution level for these students which has varied over the years from $1,620 in 1980-81 to $2,340 in 1983-84 for single students and married students with children under seven years old. Married students with no young children are expected to contribute more, and the amount varied depending upon whether the spouse is a student as well.

Defining Need: Once the student budget, parental contribution, and student contribution are determined for an applicant, the Student Aid Commission assesses whether an applicant has financial need by subtracting the expected contributions from the student budget. Demonstrated financial need, therefore, is relative and not absolute. That is, the level of "unmet need" depends not only on the relative financial resources of applicants and their families, but on the cost of attending their chosen institution. Applicants from low-income families are likely to demonstrate financial need irrespective of whether they seek to attend a relatively low-priced State University or a higher-priced independent institution. On the other hand, a student from an upper middle-income family may not be able to demonstrate financial need at a State University, but still may show considerable financial need at a higher priced institution.

Identifying Minimum Need and Unrecognized Need. If financially independent applicants can demonstrate a minimum level of financial need at the institution they seek to attend, and if their families' incomes are below the program's income ceiling, the Student Aid Commission defines them as needy eligible applicants and they enter the pool of applicants actually competing for the new Cal Grant A awards available each year. If on the other hand, their families' incomes exceed the program ceiling (a subject discussed in more detail later), these students are ineligible to compete for a Cal Grant A award regardless of their levels of demonstrated financial need or grade-point averages. For example, the average remaining or unmet need of dependent applicants at independent institutions from families with incomes of $42,000 or above was more than $2,000 in 1983-84, but the income of these applicants' families was above the program's ceiling.

Setting and Adjusting the Family Income and Asset Ceilings

The Student Aid Commission modifies the uniform methodology by imposing family income and asset ceilings that target eligibility to applicants below those ceilings who can demonstrate financial need. For dependent applicants in 1980-81 the family income ceiling was $33,000 and the asset ceiling $140,000, having been raised from $29,900 and $115,000 respectively the previous year. The Student Aid Commission has adjusted both ceilings from time to time, but it has not adjusted them for inflation on a regular basis. In 1981-82, it introduced a variable income ceiling, with levels of $33,000 for families with three or fewer members, $36,000 with four, $39,000 with five, $42,000 with six or more members, and $42,000 with three or more members when two or more children were in college. That same year, it raised the asset ceiling to $168,000, but because of legislative concern, both ceilings have remained at these levels since then.

Rapid increases in California real estate prices in recent years have been evident to all, and the need to adjust the asset ceiling to reflect such changes readily apparent. On the other hand, the income ceiling and the appropriate method for adjusting it have been the center of some controversy and confusion.

Part of the problem stems from disagreements about what year to use as the basis for adjusting the income ceiling and part from debates over what index is most appropriate to use to measure the impact of inflation on family incomes. For example, if 1977-78 is used as the base year and the California Consumer Price Index used to adjust for inflation, then the family income ceiling in 1983-84 should have been $48,000 instead of averaging $37,500. On the other hand, if the actual change in California median family incomes for families whose head was between the ages likely to have children in college is used as an index for inflation, the results are different and depend on the base year selected as well. If 1980-81 is used, the ceiling in 1983-84 should have been $42,075, but if 1981-82 were used, the variable ceiling would have ranged from $37,850 to $48,150.

Aside from these methodological debates, problems arise from the symbolic aspects of family income as a measure of affluence or of the ability to pay. Family income is a poor indicator of the ability to pay, and thus even a variable income ceiling with its allowances for differences in family size and the number of children in college is only a rough index of family financial resources and of family's ability to contribute toward their childrens' education. The uniform methodology takes into consideration not only family size but a wide range of other factors, including whether one or both parents are working, the number of children in college, and the capacity of the family to contribute from both income and assets. Though perhaps less readily understood as a symbol of program eligibility, a parental contribution ceiling would be a more precise and exact measure of the ability to pay and would provide a more equitable basis for including or excluding applicants from program eligibility. Further, because the uniform methodology makes the necessary adjustments for inflation and its impact on family maintenance costs as well as on income in determining expected parental contribution levels, a parental contribution ceiling would not require annual adjustment. Setting such a ceiling the first year would not, however, be a simple task.

Number of Applicants Above the Income Ceiling: As noted earlier in the section on the income distribution of applicants, substantial growth has occurred in the number of dependent applicants from families with incomes of $42,000 or more all of whom are above the program's 1983-84 income ceiling which averages $37,500. This is particularly true among applicants at the University of California and independent institutions. Further, sizable increases have also occurred in the number of applicants from families with incomes between $36,000 and $42,000, and many of these applicants are also ineligible because of the income ceiling. As Table 9 shows, the proportion of applicants with incomes above the ceiling has increased in all three major segments. If the ceiling had been adjusted fully for changes in

TABLE 9 Number of Cal Grant A Applicants Ineligible Because of the Income Ceiling, in Current and Constant Dollars, 1980-81 and 1983-84.

Item	Current Dollars 1980-81 Number	%	Current Dollars 1983-84 Number	%	Change Number	Constant Dollars 1983-84 Number	%	Difference in Number Current to Constant Dollars
State University	1,483	8.1%	2,641	9.5%	+1,158	2,052	7.4%	+ 589
University	2,666	19.1	4,620	24.2	+1,954	3,836	20.1	+ 784
Independent	3,771	23.2	5,035	29.1	+1,264	4,227	24.4	+ 808

Note: Because the computations are based on an average family income ceiling for 1983-84 of $37,500, the figures are not exact; but they provide a reasonable approximation of the magnitude of the changes involved.

Source: CSAC Applicant/Recipient Data Tapes. Adjustments to family income levels based on changes in California median family incomes since 1980 in the Department of Finance Current Population Surveys.

median family income, changes in the proportion of all applicants above the ceiling would have been negligible in the University and independent institutions, and the proportion would have actually decreased at the State University. Indeed, if the income ceiling had been adjusted fully for inflation in these four years, there would have been nearly 2,200 additional financially needy applicants in 1983-84 eligible to compete for available awards. More than two-thirds of these were applicants at the University and the independent colleges.

Current Program Definitions of Needy Eligibile Applicants: The determination of financial need interacts with the family income ceiling to define which applicants will actually be considered eligible to compete for new Cal Grant A awards. These two factors shape the size of the eligible applicant pool in each segment and obviously affect the final distribution of awards.

Table 10 on the following page shows the tremendous increase in the number of needy eligible applicants that occurred at the State University at all academic levels over these four years. The higher index values among State University Level 3 and 4 eligible applicants reflect the higher percentage of independent students among its applicants at these levels, their exemption from the income ceiling limitations, and their generally greater ability to demonstrate financial need because of limited financial resources. On the other hand, the marked increase in the index value in 1983-84 among its eligible applicants at all levels reflects the sharp increase in its required fees and the corresponding reduction from 35.5 to 22.9 percent in the proportion of applicants who were ineligible because they could not demonstrate sufficient financial need.

TABLE 10 Needy Eligible Cal Grant A Applicants by Segment and Academic Level, 1980-81 to 1983-84.

Segment	1980-81		1981-82		1982-83		1983-84		Change 1980-81 to 1983-84	
& Level	Number	Index	Number	Index	Number	Index	Number	Index	Number	Percent
State University										
1	6,784	.521	8,377	.507	8,755	.512	11,567	.666	+4,784	+ 70.5%
2	1,225	.583	2,264	.553	2,199	.523	2,586	.620	+1,361	+111.1
3	1,732	.713	3,000	.704	3,120	.683	3,570	.726	+1,838	+106.1
4	584	.787	930	.784	890	.775	1,110	.803	+ 526	+ 90.1
Total	10,325	.564	14,571	.559	14,964	.554	18,833	.676	+8,508	+ 82.4
Above Ceiling		.081		.062				.095		
No Need		.355		.379				.229		
University										
1	4,829	.559	5,936	.547	5,793	.520	6,323	.544	+1,494	+ 30.9
2	1,174	.566	1,710	.574	1,613	.511	1,430	.509	+ 256	+ 21.8
3	1,523	.664	2,033	.649	2,019	.693	2,073	.616	+ 550	+ 36.1
4	588	.575	733	.700	821	.664	802	.632	+ 214	+ 36.4
Total	8,114	.579	10,412	.579	10,256	.547	10,628	.558	+2,514	+ 31.0
Above Ceiling		.191		.163				.242		
No Need		.230		.258				.200		
Independent										
1	6,592	.639	7,222	.624	6,322	.582	6,451	.606	- 141	- 2.1
2	1,717	.662	2,343	.672	2,143	.623	1,879	.660	+ 162	+ 9.4
3	1,606	.700	2,252	.718	1,946	.668	1,807	.676	+ 201	+ 12.5
4	689	.674	909	.699	788	.650	764	.657	+ 75	+ 10.9
Total	10,604	.653	12,726	.653	11,199	.608	10,901	.629	+ 297	+ 2.8
Above Ceiling		.232		.199				.291		
No Need		.115		.148				.080		
Proprietary and Other Private										
1	591	.722	648	.769	684	.732	840	.678	+ 249	+ 42.1
2	340	.778	441	.820	436	.793	672	.744	+ 332	+ 97.8
3	139	.790	152	.779	177	.753	207	.681	+ 68	+ 48.9
4	35	.753	40	.800	51	.836	59	.686	+ 24	+ 68.6
Total	1,105	.753	1,281	.786	1,348	.757	1,778	.702	+ 673	+ 60.9
Above Ceiling		.121		.076				.102		
No Need		.126		.138				.196		

Note: Level 1 is high school seniors; 2, college freshmen; 3, college sophomores; and 4, upper-division students who have not completed their junior year.

Source: CSAC Research, Memorandum, December 12, 1983. Index computed by Postsecondary Education Commission staff to express the percentage of applicants in a particular category who are needy eligibles. At the same time, the indexes for those above the family income ceiling and those below the ceiling who cannot demonstrate financial need are the percentage of applicants estimated to be excluded from eligibility on those grounds.

The number of needy eligible applicants at the University increased by nearly 31 percent between 1980-81 and 1983-84. Increases in its required fees were also sizable, and the proportion of its applicants with incomes below the ceiling who could not demonstrate minimum financial need declined slightly from 23 to 20 percent. The reason the University's overall index declined, however, was because of the sizable increase -- from 19.1 to 24.2 percent -- in the proportion of its applicants whose families' incomes exceeded the program ceiling.

Independent institutions not only failed to increase the size of their overall applicant pool appreciably, but they experienced an even smaller increase in the number of financially needy applicants with incomes below the program ceiling. This was particularly true for pre-freshman applicants, where the number who were eligible actually dropped by 141. As the income ceiling and "no need" indexes show, this decline and the miniscule growth in these applicants were primarily the result of the inability of independent institutions as a whole to markedly increase the number of their applicants from families with incomes below the Cal Grant A income ceiling. In 1980-81, 76.8 percent of all their applicants were from families with incomes below the ceiling, but by 1983-84 just 70.9 percent were. Moreover, as the earlier discussion of the changing income distribution of applicant pools in constant dollars showed, independent institutions actually increased both the number and proportion of applicants with family incomes below $24,000 and above $42,000, but they failed to increase the proportion between $24,000 and $41,900. Their failure to increase significantly either pre-freshman or already-enrolled applicants placed them at an increasing disadvantage in competing for new awards, but the increased number of University and State University applicants who could demonstrate financial need, plus restrictions on eligibility created by the income ceiling, heightened competition and further limited the relative and absolute size of the independent institutions' pool of potential recipients.

Statutory Limits on the Number of New Awards

The number of new Cal Grant A awards is set by statute at 14,930 a year and has remained virtually unchanged since the late 1970s. This number represents a slightly larger percentage of the high school graduating class now than it did earlier, but of course high school seniors are not the only students eligible and applying for new awards: As noted earlier, increased numbers of current college students have been applying.

No discussion of the implications of changing any of the other major program provisions would be complete without reference to this limitation on the number of new awards, since this number has a large impact on the effect of other provisions. The constant number of awards makes the competition for new awards a "zero-sum game," since the inclusion of newly eligible groups or the exclusion of once eligible groups results in some applicants who used to receive awards losing out to newly eligible applicants. For example, while the income ceiling in the past has not been adjusted regularly to reflect inflation, a change in the income ceiling above the rate of inflation would alter the composition of applicants eligible to compete for awards by increasing the number of high grade-point average eligible applicants from the higher income ranges. The result would be an increase in the grade-point cutoff and a reduction in the number of new recipients with slightly lower grade-point averages -- often applicants with lower family incomes as well. On the other hand, if the number of first-time awards were increased without a concurrent increase in applicants and a change in the income ceiling, the grade-point cutoff would drop -- as it did in 1984-85 to 2.86 from the prior year's level of 3.11. Illustrating the fact that the number of new grants is a major factor in any discussion of who the program serves, the failure to change this number between the late 1970s and 1983-84 meant that other changes in program procedures, eligiblity requirements, and applicant pools altered the characteristics of first-time recipients and the segments they attended.

Student Levels and the Allocation of New Awards

As Table 10 showed, the number of needy eligible applicants has increased greatly since 1980-81 in all segments and academic levels.

The State University experienced the greatest increase in needy eligible applicants who were financially independent or who came from families with incomes below the program's income ceiling. In all, 3,724 of its increase of 8,508 in these applicants occurred among students already enrolled.

In the University, the increase of needy eligible applicants was more modest and balanced, with 1,020 of its 1,494 additional applicants being already enrolled.

Independent institutions, however, experienced an increase of just 438 needy eligible applicants who were already enrolled and an even smaller overall increase of 297 needy applicants with family incomes below the ceiling. The number of applicants who applied directly from high school and qualified for the program actually declined by 141.

These shifts in the segmental distribution and educational level of needy eligible applicants had a major impact on the distribution of recipients. According to Student Aid Commission procedures, each educational level receives the same percentage of new awards as it has needy eligible applicants. Separate grade-point cutoffs are developed for each educational level, and for those already enrolled, their college rather than high school grade-point average is used. This situation, in turn, raises questions about the equity of a competition for new awards based on the college grade-point averages of students from a wide array of institutions with often vastly different academic standards.

As noted earlier, the Cal Grant A program permits students who are already enrolled in college, but who have not yet completed their junior year, to apply for awards. This policy has several important implications that have not been discussed or debated for some time:

- First, since there are a fixed number of new grants that can be renewed for up to three years or graduation, whichever comes first, allocating them to pre-freshmen would increase the duration of assistance and possible influence choice but not change the number of students aided.

- Second, in some small measure, this policy may help financially needy and academically able undergraduates stay in college and complete their degrees, but it does not significantly promote access or choice since these students are already attending college.

- Third, the policy of allowing applications from students who have not yet completed their junior year has beneficial implications for some Community College transfer students with solid academic records by permitting them to apply for and possibly receive a Cal Grant A award after they have transferred to help cover a portion of their upper-division tuition and fee costs. Coupled with the Community College reserve part of the Cal Grant A program that will be described later, this feature has the potential to provide financial aid for a small number of transfer students, but may or may not be the best way to accomplish this purpose since students already enrolled in four-year colleges are also permitted to apply under these criteria. The Cal Grant B program, on the other hand, has a 16-unit limitation on applicants, and thus does not offer similar assistance to those who neglect to apply for or fail to receive a Cal Grant B award for their freshman year in college.

The Grade-Point Average Rationing Mechanism

Grade-Point Cutoffs: The Student Aid Commission has always distributed or rationed the limited number of new Cal Grant A awards on the basis of eligible applicants' financial need and academic achievement with the applicants' grade-point average used as the criterion of academic achievement. Since the number of new awards has not increased in recent years, while the needy eligible applicant pool has grown, the percentage of needy eligible applicants receiving awards has decreased, and the grade-point cutoff has increased. Table 11 shows the cutoff levels for each academic level over the last four years. The effects of the marked increase in the competition for awards because of the sharp jump in the number of needy eligible applicants in 1981-82 is clearly evident. Because the grade-point cutoffs for high school seniors (Level 1) and freshmen (Level 2) involve their high school grades, while those for applicants at the other academic levels (3 and 4) involve college grades, direct comparisons between the two groups' cutoff levels are not appropriate.

Grade-Point Averages and the Income Ceiling: The interaction between the income ceiling and various grade-point cutoff levels has a particularly decisive impact on the final distribution of new awards. Although some applicants from low-income families with high grades and applicants from higher-income families have low grades, in general, applicants' socio-

TABLE 11 Grade-Point Cutoffs for the Cal Grant A Program by Academic Level of Applicants, 1980-81 to 1983-84

Academic Level	1980-81	1981-82	1982-83	1983-84
Level 1	2.91	3.21	3.01	3.11
Level 2	2.91	3.01	2.91	2.81
Level 3	3.01	3.11	3.11	3.01
Level 4	3.11	3.21	3.01	3.01

Note: Level 1 is high school seniors; 2, college freshmen; 3, college sophomores; and 4, upper-division students who have not completed their junior year.

Source: CSAC Research. Does not include alternates who may have received awards at a later time.

economic status corresponds with their prior academic performance. That is, the greater the educational level of an applicant's parents and the greater the family income level, the more likely the applicant is to have achieved high grades. Table 12 illustrates in a particularly telling manner how this general relationship and the income ceiling has altered the competition for awards among financially needy applicants at the University and at independent institutions in the last few years. This table shows that the State University was the only major segment to substantially increase the number of high grade-point average applicants in this period. At the University, what appears to be an impressive increase in applicants with 3.4 or better grade-point averages is in fact a very small increase in high achieving eligible applicants, because most all of this increase in applicants with excellent academic records occurred among those from families with incomes above the program's 1983-84 income ceiling. And among independent institution applicants with 3.4 grade averages or better, the overall drop of 304 applicants in this select group was made even more serious. The bulk of the increase in high performing applicants at these institutions occurred among those with family incomes of $42,000 or more. By 1983-84, nearly one out of every three applicants at these institutions with grade-point averages of 3.4 or above came from families with incomes above the income ceiling. Although the vast majority of these high achievers could demonstrate financial need, they were ineligible to compete for awards. Further, among the remaining eligible applicants, 1,590 fewer had outstanding academic records and family incomes below $42,000. No wonder, that fewer University and independent institution applicants received Cal Grants in the latter years of this period.

TABLE 12 Number of Cal Grant A Applicants with Grade Point Averages of 3.4 or Above by Segment and Family Income Level, 1980-81 and 1983-84.

Segment and Family Income Level	1980-81	1983-84	Change
State University			
All Applicants with 3.4 and Up	4,027	5,686	+ 1,659
3.4 and Up with Income $42,000 and Up	116	535	+ 419
3.4 and Up with Income Under $42,000	3,911	5,151	+ 1,240
University			
All Applicants with 3.4 and Up	7,252	9,177	+ 1,925
3.4 and Up with Income $42,000 and Up	519	2,244	+ 1,725
3.4 and Up with Income Under $42,000	6,733	6,933	+ 200
Independent			
All Applicants with 3.4 and Up	6,455	6,151	- 304
3.4 and Up with Income $42,000 and Up	760	2,046	+ 1,286
3.4 and Up with Income Under $42,000	5,695	4,105	- 1,590

Source: CSAC Applicant/Recipient Data Tapes.

DISTRIBUTION AND CHARACTERISTICS OF NEW CAL GRANT A RECIPIENTS

As a result of the fixed number of first-time Cal Grant A awards and the increased competition for them, there have been marked shifts in the distribution and characteristics of new recipients.

Number of New Recipients

Table 12 summarizes the shifts that have occurred in the segmental distribution of new award winners since 1980-81. In that year, 5,461 recipients attended independent institutions, 5,008 attended the University, 4,084 attended the State University, and the remaining 370 attended proprietary and other private institutions. By 1983-84, however, the number of first-time recipients at independent institutions dropped by 1,099 to 4,362; the number at the University increased by 327 to 5,325; the number at the State University increased by 669 to 4,753; and the number at other private institutions increased by 112 to 482. The drop in recipients at independent institutions had actually begun earlier and since 1977-78 has amounted to a decline of 2,493 recipients. The University as well as the independent institutions was affected. Although the University enjoyed a modest 6 percent increase in new recipients over the four-year period, its number of new recipients has declined by 364 since 1981-82.

TABLE 13 Number of New Cal Grant A Recipients by Segment, 1980-81 to 1983-84

Segment	1980-81 Number	1981-82 Number	1982-83 Number	1983-84 Number	Change 1980-81 to 1983-84 Number	Change 1980-81 to 1983-84 Percent
State University	4,084	4,140	4,478	4,753	+669	+16.4%
University	5,008	5,589	5,497	5,325	+317	+ 6.3
Independent	5,461	4,913	4,592	4,362	-1,099	-20.1
Proprietary	370	291	372	482	+112	+30.3

Source: Enclosure H-1, p. 3, CSAC Agenda, October 1983.

Academic Level of New Recipients

As noted earlier, the number of students already enrolled in college who apply for Cal Grant A awards has increased substantially in recent years in both absolute and relative terms. Since the percentage of new awards at each educational level is directly related to the percentage of needy eligible applicants at that level, the number of first-time award winners who are already enrolled in college has jumped significantly in recent years, as Table 14 shows.

The dramatic drop of 1,224 first-time Cal Grant A recipients who were high school seniors at the time they applied and the corresponding increase in the number of awards going to applicants who were already enrolled in college is simply a function of changing application patterns and the program procedures that assign each educational level the same percentage of awards as it has needy eligible applicants.

The State University showed a substantial increase of 669 first-time Cal Grant A recipients in the last four years, but it was entirely the product of an even greater increase in its recipients who were already enrolled, since its pre-freshman recipients declined by 245. In fact, the odds of receiving a new Cal Grant for needy eligible State University applicants who were already in attendance were about twice as great as for those who were high school seniors -- 37.1 percent compared to 19.4 percent in 1983-84.

The ever-diminishing number of first-time recipients at independent institutions was primarily the result of a 1,046 recipient drop among those applying out of high school, although these institutions also experienced a net loss of 53 first-time recipients among their applicants who were already enrolled. The failure to increase significantly the overall size of their applicant pool, the drop in their number of needy eligible pre-freshman applicants, and the elimination of many of their highest-achieving applicants because of the income ceiling were the major factors contributing to this decline.

TABLE 14 Number of New Cal Grant A Recipients by Academic Level and Segment, 1980-81 to 1983-84

Segment and Level	1980-81 Number	1980-81 %	1981-82 Number	1981-82 %	1982-83 Number	1982-83 %	1983-84 Number	1983-84 %
State University								
Level 1	2,402	58.8%	2,095	50.6%	2,262	50.5%	2,157	45.4%
Level 2	588	14.4	780	18.9	815	18.2	871	18.3
Level 3	835	20.4	1,007	24.3	1,084	24.2	1,319	27.7
Level 4	259	6.3	258	6.2	317	7.1	406	8.5
University								
Level 1	3,049	60.9	3,386	60.6	3,415	62.1	3,161	59.4
Level 2	822	16.4	1,031	18.5	919	16.7	849	16.0
Level 3	850	17.0	894	16.0	823	15.0	966	18.1
Level 4	287	5.7	278	5.8	340	6.2	349	6.6
Independent								
Level 1	3,551	65.0	2,977	60.6	2,711	59.0	2,505	57.4
Level 2	875	16.0	925	18.8	926	20.2	879	20.1
Level 3	739	13.5	754	15.3	661	14.4	702	16.1
Level 4	296	5.4	257	5.2	294	6.4	276	6.3
Proprietary & Other								
Level 1	188	51.0	108	37.0	150	40.2	143	29.6
Level 2	129	34.9	115	39.6	143	38.6	234	48.6
Level 3	44	11.8	54	18.7	57	15.2	77	15.9
Level 4	9	2.5	14	3.1	22	3.4	28	5.9
All Segments								
Level 1	9,190	61.6%	8,566	57.4%	8,833	57.2%	7,966	53.4%
Level 2	2,414	16.2	2,851	19.1	2,803	18.8	2,833	19.0
Level 3	2,468	16.5	2,709	18.1	2,625	17.6	3,064	20.5
Level 4	851	5.7	807	5.4	973	6.5	1,059	7.1

Note: Level 1 is high school seniors; 2, college freshmen; 3, sophomores; and 4, upper-division students who have not completed their junior year.

Source: CSAC Applicant/Recipient Data Tapes.

Only the University showed increases in new recipients at all academic levels, and these increases were quite modest. In fact, since 1981-82, the University actually experienced an overall decrease in the number of new recipients, and these losses were concentrated among pre-freshman and freshman applicants. The size of the University's applicant pool increased substantially, but the income ceiling eliminated most of the growing number of high-achieving applicants from eligibility. Furthermore, its high academic standards and grading policies may have reduced the chances of its remaining eligible already-enrolled applicants.

The increase in recipients at proprietary institutions was similar to that in the State University, although on a much smaller scale: The growth in their new awards occurred entirely among students who were already enrolled at the time they applied.

The Dependency Status of New Recipients

Table 15 shows the changes that have occurred in the past four years in the number of financially dependent and independent or self-supporting students who have received new Cal Grant A awards. The shifts in the distribution of recipients were similar to, but more substantial than, the shifts in the number of applicants in each group and segment. There are several reasons for this pattern:

- First, independent or self-supporting applicants tend to have small or modest incomes, which exempt them for all practical purposes from the family income ceiling. Thus, the failure to change the income ceiling to fully reflect changes in family incomes resulting from inflation since 1980 did not adversely affect independent students, but it did decisively limit the eligibility of large numbers of dependent students.

- Second, independent students are most heavily concentrated among applicants who are already enrolled in college, so their collegiate grade-point averages and the grading standards within their institutions affect their chances of receiving a Cal Grant A award.

Most of the increase in new Cal Grant A recipients in the State University was accounted for by the addition of 578 more independent recipients. The same pattern was evident on a smaller scale in the proprietary institutions, where the greatest increase occurred among independent students already enrolled there. By contrast, more than two-thirds of the increase in new recipients at the University was accounted for by dependent students. At independent institutions, the greatest losses occurred among dependent recipients, typically those receiving new awards out of high school for their freshman year. The financially independent student applicant pool of these institutions dropped by 51, while their new recipients who were financially independent declined by 77.

TABLE 15 Number of First-Time Cal Grant A Recipients by Segment and Dependency Status, 1980-81 to 1983-84.

Segment and Status	1980-81 Number	1981-82 Number	1982-83 Number	1983-84 Number	Change 1980-81 to 1983-84 Number	Change 1980-81 to 1983-84 Percent
State University						
Dependent	3,260	3,145	3,217	3,351	+ 91	+ 2.8%
Independent	824	995	1,261	1,402	+ 578	+ 68.6
University						
Dependent	4,308	4,900	4,722	4,536	+ 228	+ 5.3
Independent	700	689	775	789	+ 89	+ 12.7
Independent						
Dependent	4,761	4,256	3,960	3,739	-1,022	- 21.5
Independent	700	657	632	623	- 77	- 11.0
Proprietary and Other Private						
Dependent	282	183	252	289	+ 7	+ 2.5
Independent	88	108	120	193	+ 105	+120.7
All Segments						
Dependent	12,611	12,484	12,151	11,915	- 696	- 5.5
Independent	2,312	2,449	2,788	3,007	+ 695	+ 30.1

Source: CSAC Applicant/Recipient Data Tapes.

Income Level of New Recipients

Table 16 shows that major shifts have occurred in the income distribution of dependent Cal Grant A recipients in the past four years. The most significant decline occurred in the number of low-income recipients: a drop of 209 from families with incomes below $12,000, and of 1,338 from families with incomes between $12,000 and $24,000. The drop in the number of recipients in the "Under $12,000" category was almost entirely the result of a drop of 326 recipients, or 35 percent, at independent institutions, although declines in the "$12,000 - $23,999" category occurred in all segments and ranged from 15 to 35 percent.

Because of the overall loss of 696 dependent recipients, the increase of 857 recipients from families with incomes above $24,000 did not offset the losses at the lower income ranges. The independent institutions were the only ones to experience a decrease in dependent recipients from families

TABLE 16 Income Distribution of Dependent Cal Grant A Recipients by Segment, 1980-81 to 1983-84

Segment and Income Level	1980-81 Number	1981-82 Number	1982-83 Number	1983-84 Number	Change 1980-81 to 1983-84 Number	Percent
State University						
Under $12,000	701	597	698	777	+ 76	+10.8%
$12,000 - 23,999	1,848	1,476	1,493	1,575	- 273	-14.8
$24,000 - $35,999	708	940	888	841	+ 133	+18.8
$36,000 - 41,999	3	142	138	158	+ 155	--
$42,000 & Up	0	0	0	0	± 0	--
Total Dependent	3,260	3,145	3,217	3,351	+ 91	+ 2.8
Independent	824	995	1,261	1,402	+ 578	+68.6
University						
Under $12,000	754	745	798	799	+ 45	+ 6.0
$12,000 - 23,999	2,258	2,132	2,064	1,923	- 335	-14.8
$24,000 - 35,999	1,288	1,637	1,468	1,492	+ 204	+15.8
$36,000 - 41,999	8	377	387	313	+ 305	--
$42,000 & Up	0	9	5	9	+ 9	--
Total Dependent	4,308	4,900	4,722	4,536	+ 228	+ 5.3
Independent	700	689	775	789	+ 89	+12.7
Independent						
Under $12,000	928	660	623	602	- 326	-35.1
$12,000 - 23,999	2,066	1,532	1,502	1,354	- 712	-34.5
$24,000 - 35,999	1,747	1,596	1,458	1,402	- 345	-19.7
$36,000 - 41,999	14	460	368	370	+ 356	--
$42,000 & Up	0	8	9	11	+ 11	--
Total Dependent	4,761	4,256	3,960	3,739	-1,022	-21.5
Independent	700	657	632	623	- 77	-11.0
Proprietary and Other Private						
Under $12,000	89	52	61	85	- 4	- 4.5
$12,000 - 23,999	120	101	100	102	- 18	-15.0
$24,000 - 35,999	73	82	76	90	+ 17	+23.3
$36,000 - 41,999	0	17	14	12	+ 12	--
$42,000 & Up	0	0	0	0	± 0	--
Total Dependent	282	183	252	289	+ 7	+ 2.5
Independent	88	108	120	193	+ 105	+120.7
All Segments						
Under $12,000	2,472	2,054	2,180	2,263	- 209	- 8.4
$12,000 - 23,999	6,292	5,241	5,159	4,954	-1,338	-21.3
$24,000 - 35,999	3,816	4,255	3,890	3,825	+ 9	+ 0.2
$36,000 - 41,999	25	996	969	853	+ 828	--
$42,000 & Up	0	17	14	20	+ 20	--
Total Dependent	12,611	12,484	12,151	11,915	- 696	- 5.5
Independent	2,312	2,449	2,788	3,007	+ 695	+30.1

Source: CSAC Applicant/Recipient Data Tapes.

with incomes between $24,000 and $36,000, and their loss of 345 of these recipients was barely offset by an increase of 355 in the same group at the State University, University, and proprietary institutions.

The greatest growth in the number of dependent recipients was in the "$36,000 - $41,999" income range, and the income ceiling generally excluded applicants with incomes above $42,000. Indeed, some of the effects of adjusting this ceiling in 1981-82 and then leaving it unchanged in subsequent years are evident in the increases in the number of recipients with family incomes between $24,000 and $42,000 in 1981-82 and then the subsequent declines in those numbers in every segment in each of the next two years.

Some of the shift in dependent recipients from the lower to the middle portions of the income distribution in these years was more apparent than real -- due to the effects of inflation on family income coupled with the failure to adjust the income ceiling after 1981-82. Indeed, when the income distribution of new recipients in 1983-84 is expressed in constant 1980 dollars, the results appear far different. Instead of increasing slightly in the State University and University and dropping sharply at independent institutions, the number of recipients from families with 1980-equivalent incomes under $12,000 increased by nearly 75 percent in the two public segments and declined by less than 3 percent at independent institutions. Changes in the number of recipients in the "$12,000 to $23,999" family income group were also lower after income levels were adjusted for inflation -- declining by 5 percent at the State University, increasing by nearly 5 percent at the University, and declining by 11 percent at independent institutions.

Examining changes in the income distribution of dependent recipients in constant dollars shows that major shifts occurred in the number of recipients from families with 1980-equivalent incomes of $24,000 and above. Indeed, the number of recipients from families with 1980-equivalent incomes between $24,000 and $35,999 plunged 40 percent in the State University, 31 percent in the University, and 50 percent at independent institutions. Although the number of recipients with incomes of $36,000 or more in current dollars increased sharply from 25 to 873, the number with 1980-equivalent incomes of $36,000 or more virtually disappeared -- to only seven -- by 1983-84.

Grade-Point Distribution of New Recipients

The heightened competition for new Cal Grant A awards because of the sizable increase in financially needy eligible applicants led to increases in the grade-point cutoffs and to marked changes in the grade-point averages of recipients. Table 17 shows that the surge in applications in 1981-82 and the sizable increase in the income ceiling that year produced a major shift upward in the grade-point distribution of new recipients. In that year, no applicant with a grade-point average below 3.0 received an award, and the number of new recipients with averages between 3.0 and 3.2 dropped sharply. The following year also saw no recipients with grade-point averages below 3.0, but the number with 3.0 to 3.19 averages increased again and by 1983-84 approached 1980-81 levels in all except the independent institutions.

The number of recipients with 3.4 grade-point averages or better increased in all except the independent institutions, and would have been even larger had the income ceiling kept pace with inflation. As it was, only 38 percent of University and State University applicants and 40 percent of independent institution applicants with averages at the top of the grade-point range received new awards; most of the others failed to meet the program's income ceiling, although some failed to demonstrate sufficient financial need.

TABLE 17 Grade-Point Distribution of New Cal Grant A Recipients by Segment, 1980-81 to 1983-84

Segment and Grade Point	1980-81 Number	1981-82 Number	1982-83 Number	1983-84 Number	Change 1980-81 to 1983-84 Number
State University					
Under 2.8	1	0	0	0	0
2.8-2.99	57	0	0	182	+ 124
3.0-3.19	1,117	207	914	1,128	+ 11
3.2-3.39	1,054	1,319	1,298	1,294	+ 140
3.4 and Up	1,898	2,614	2,266	2,149	+ 351
University					
Under 2.8	0	0	0	0	0
2.8-2.99	26	0	0	82	+ 56
3.0-3.19	709	151	687	702	- 7
3.2-3.39	965	1,236	1,123	1,077	+ 112
3.4 and Up	3,308	4,202	3,687	3,466	+ 158
Independent					
Under 2.8	1	0	0	0	- 1
2.8-2.99	60	0	0	159	+ 99
3.0-3.19	1,067	202	745	794	- 273
3.2-3.39	1,100	1,238	1,094	960	- 140
3.4 and Up	3,233	3,473	2,753	2,449	- 784
Proprietary and Other Private					
Under 2.8	0	0	0	0	0
2.8-2.99	6	0	0	39	+ 33
3.0-3.19	121	21	102	112	- 9
3.2-3.39	79	94	116	133	+ 54
3.4 and Up	164	176	154	198	+ 34

Source: CSAC Applicant/Recipient Data Tapes.

Ethnic Composition of New Recipients

The Cal Grant A program provides grants to financially-needy, academically talented applicants, including many ethnic minority students. Table 18 shows the ethnic composition of new recipients and the minor shifts that have occurred in recent years.

Because of the substantial increase in the number of recipients who declined to state their ethnicity in 1983-84, the most reliable comparison of the shifts that have occurred is based on the data for the years from 1980-81 through 1982-83. These show that when the income ceiling was adjusted by more than the rate of inflation in 1981-82, there was a corresponding rise in the grade-point cutoffs for eligibility and a decline in the number of American Indian, Black, and "Other" ethnic recipients while the number of Hispanics remained stable and the number of whites, Filipinos, and Asians increased. The following year, there was no adjustment in the income ceiling and the applicant pools' income profile in constant dollars more closely resembled that of 1980-81. Consequently, the grade-point cutoffs were reduced somewhat, and the number of Black, Hispanic, and Asian recipients increased above both 1980-81 and 1981-82 levels, while the number of Whites and Filipinos declined. The changes in 1983-84 are difficult to assess because of the sharp increase from 60 to 991 recipients who declined to state their ethnicity. It appears that if the ethnicity of these recipients were known, the ethnic composition of the 1983-84 recipients would be similar to that in 1982-83, except for the continued increase in the number of Hispanic recipients.

TABLE 18 Ethnic Composition of New Cal Grant A Recipients, 1980-81 to 1983-84

	1980-81		1981-82		1982-83		1983-84	
Ethnicity	Number	%	Number	%	Number	%	Number	%
American Indian	80	0.5	40	0.3	110	0.7	73	0.5
Black	970	6.5	890	6.0	1,080	7.2	926	6.2
Hispanic	1,560	10.5	1,540	10.3	1,690	11.3	1,882	12.6
Filipino	510	3.4	650	4.4	410	2.8	400	2.7
Asian	2,140	14.4	2,250	15.1	2,710	18.2	2,637	17.7
White	8,660	58.1	8,900	59.7	8,340	56.0	7,567	50.7
Other	850	5.7	310	2.1	500	3.4	448	3.0
Unknown	130	0.9	320	2.1	60	0.4	991	6.6

Source: CSAC, October 1983 Agenda, Tab H

While the percentage of ethnic minority recipients in the Cal Grant A program is not as high as it is in the Cal Grant B program, the overall number of Black and Hispanic students receiving Cal Grant A awards is nearly identical to the number receiving Cal Grant B awards. In the four-year institutions, however, the number of ethnic minority recipients in the Cal Grant A program was substantially greater. For example in 1983-84, there were at least 926 Black Cal Grant A recipients at four-year institutions, but only 355 Black Cal Grant B recipients. There were at least 1,882 Hispanic Cal Grant A recipients compared to 1,112 and 2,637 Asian recipients compared to 1,248 at four- year institutions. Furthermore, over 3,500 students each year turn down offered Cal Grant A awards: 60 to 65 percent of these do so to accept a Cal Grant B award and sizable numbers of these recipients are from ethnic minority groups. While only 35 percent of all applicants to either program apply to both, those who do are generally high ability, financially-needy ethnic minority students, many of whom have their choice of which award they want to accept.

CAL GRANT A RECIPIENTS, PELL GRANTS, AND REMAINING NEED

In providing a limited number of academically talented but financially needy undergraduates with assistance in meeting the cost of tuition and required fees at the colleges and universities of their choice, the Cal Grant A program was designed to complement and supplement federal financial aid programs rather than supplant them. Consequently, any assessment of its effectiveness must include an examination of (1) the degree to which its awards cover recipients' tuition and required fees, (2) its interaction with the federal Pell Grant program, and (3) the extent to which these two important grant sources meet the financial needs of Cal Grant A recipients.

Coverage of Tuition and Fees

Originally, Cal Grant A awards were designed to cover either tuition and required fees, unmet need, or a specified maximum amount, whichever was less. Now, as Table 19 shows, the maximum grant level restricts the portion of tuition and fees that the award actually covers at independent institutions, and insufficient appropriations by the State since 1980-81 have forced the Student Aid Commission to limit substantially the portion of recent fee increases covered for grant recipients at public institutions.

At independent institutions, average tuition and required fees paid by Cal Grant A recipients increased much more rapidly than the maximum grant, especially during the last five years, and also faster than the rate of inflation or of increases in family income. The maximum grant has not covered average tuition and fees at these institutions since 1974-75, when it covered 95 percent; but in the past four years, the failure to adjust it even for inflation has reduced its coverage from 69 to 52 percent.

In the public universities, the story has been much the same, although the dollar gap between the maximum Cal Grant A award and required fees has not

TABLE 19 Average Tuition and Required Fees and Maximum Cal Grant A Awards by Segment, 1980-81 to 1983-84

	State University			University			Independent		
Year	Average Fees	Max. Award	Coverage	Average Fees	Max. Award	Coverage	Average Tuition	Max. Award	Coverage
1980-81	$222	$225	100	$775	$774	100	$4,635	$3,200	69
1981-82	316	255	81	997	819	82	5,411	3,400	63
1982-83	505	247	49	1,294	843	65	5,992	3,330	56
1983-84	692	277	40	1,380	884	64	6,572	3,400	52

Source: CSAC Research, Memorandum, October 1984.

been as great. In the State University, Cal Grant awards covered 93 to 100 percent of required fees throughout the 1970s. Beginning in 1981-82, however, the fee increase that year, including an emergency surcharge at mid-year, was not fully covered for Cal Grant A recipients, and this pattern was repeated both in 1982-83 and 1983-84 when Cal Grant A awards covered only 49 and 40 percent of State University fees, respectively. At the University, too, the program has failed since 1981-82 to cover its traditional 92 to 100 percent of required fees -- dropping by 1983-84 to only 64 percent coverage.

Pell Grants and Cal Grants

The Pell Grant program originated in 1972 as a limited federal effort to target grant aid to low-income students who had historically not participated fully in higher education. Known as "Basic Educational Opportunity Grants" during their early years, Pell Grants were initially targeted to undergraduate students from families with incomes below $15,000. Passage of the Middle Income Student Assistance Act by Congress came too late to have a major impact on California students during the 1978-79 year, but by 1979-80 the expansion of Pell Grant eligibility was readily apparent in all segments. The increased eligibility of large numbers of middle-income students from families with incomes below $25,000 per year as well as many low-income students was most evident in the 68 percent increase in Pell Grant funds that year for independent college and university students, but there were also increases of 38 percent at proprietary schools, 29 percent at the State University, 28 percent at the University, and 23 percent in the Community Colleges.

Since 1979-80, however, no further expansion in the program has occurred. The federal administration's concern over rising federal student aid costs and growing federal deficits led to across-the-board reductions in the size of Pell awards in 1980-81 and 1981-82. Then a major shift in administrative regulations for the program in 1982-83 greatly restricted eligibility and in effect repealed the Middle Income Student Assistance Act. The impact of these cumulative decisions about program eligibility and funding were again most evident at independent institutions which enrolled large numbers of middle-income students. Between 1979-80 and 1982-83, Pell Grant funding for these institutions' students dropped by nearly 26 percent -- from $31.6 million to $23.5 million. Smaller decreases occurred at the University, Community Colleges, and proprietary schools, although the State University's undergraduates received more Pell Grant funds in 1983-84 than ever before.

The restrictions in federal Pell Grant eligibility and funding had important effects on Cal Grant A and other financial aid recipients in California because they occurred at a time when tuition and required fees in California were rising sharply and State grant funding was not increasing. In 1980-81, 60 percent of the new Cal Grant A recipients and 66 percent of the renewal recipients at independent institutions were also Pell Grant recipients. At the University, the corresponding figures were 68 and 76 percent respectively; and at the State University, 76 and 79 percent, respectively. By 1983-84, however, the pattern changed. Scarcely half of the Cal Grant A recipients at independent institutions received Pell Grants, and only 58 percent of those at the University did so. At the State University, the restrictions in Pell Grant eligibility did not have as great an impact because a larger percentage of its recipients were independent or self supporting and did not lose eligibility. In all, nearly 70 percent of the State University's Cal Grant A recipients still had Pell Grants. Throughout this period, the majority of all Cal Grant A recipients received Pell Grants, but the majority of California's Pell Grant recipients did not receive Cal Grant A awards.

Costs, Contributions, Grant Levels, and Remaining Need

The costs of attending California colleges and universities have increased substantially during the past four years. In 1980-81, the average cost of attendance for dependent Cal Grant A recipients was approximately $3,900 at the State University, $4,400 at the University, $8,000 at an independent institution, and $6,600 at a proprietary institution. By 1983-84, however, tuition and fee increases and the rising expense of room, board, books, supplies, and other items raised the average cost of attendance for dependent recipients to $4,900 at the State University, $6,600 at the University, $11,300 at independent institutions, and $8,600 at proprietary institutions.

Parental and student contributions of dependent students increased during this period as well, but not as rapidly as college costs. In 1980-81, new Cal Grant A recipients and their families contributed an average of $1,730 at the State University, $1,876 at the University, $2,541 at independent institutions, and $2,335 at proprietary institutions. By 1983-84, these average total family contributions had increased to $2,408, $2,545, $3,309, and $3,064, respec[illegible].

Over the same period, neither average Pell Grants nor average Cal Grant A award levels kept pace with rising college costs. In fact, while average Pell Grant aid remained fairly constant for low-income recipients, it declined overall because of the loss of eligibility of most middle-income Cal Grant A recipients. Furthermore, the average Cal Grant A award increased by only $50 for new State University recipients, despite a $470 increase in required fees; by less than $70 in the University, despite a $605 increase in required fees; and by $309 in independent institutions despite a jump of $2,160 in average tuition.

The net result was a pattern of sharp increases in tuition and fees and other college costs, a less dramatic increase in parent and student contributions, very little improvement in grant support from either Cal Grant A or the Pell Grant programs, and a substantial increase in remaining need -- the amount left to pay through institutional aid funds, term-time employment, or loans.

In the State University, the average new Cal Grant A recipient had a remaining need of $1,622 in 1980-81. Four years later, this remaining need had increased to $2,889, or nearly 45 percent of total college costs.

At the University, the average remaining need of new recipients increased from $1,374 in 1980-81 to $2,474 in 1983-84, although it varied widely in both years depending on the recipients' family income. Since a Cal Grant A award covers a portion of required fees and generally does not vary much within a segment depending on a recipient's financial need, recipients from low-income families have greater average remaining need than recipients from middle-income families, even after their larger average Pell Grant is taken into account. The reason is that average parental and student contributions increase as disposable family income increases, and unmet need thus tends to vary inversely with family income. For example, in 1983-84, the average remaining need of a new Cal Grant A recipient at the University whose family had an income between $6,000 and $11,999 was $2,971 after subtracting family contributions of $824, a $1,173 Pell Grant, and a $876 Cal Grant A award. In contrast, the average remaining need of a similar recipient from a family with an income between $24,000 and $29,999 was $1,756, after subtracting family contributions of $3,049, a $240 Pell Grant, and a $846 Cal Grant A award. This phenomenon occurs in all four segments and reflects the fact that family contributions and Pell Grants have progressive features while the size of Cal Grant A awards does not.

Nowhere are the results of the failure of family income, Cal Grants, and Pell Grants to keep pace with rising college costs more evident than among Cal Grant A recipients at independent institutions. In 1980-81, the average remaining need of a new independent college or university recipient was $2,124, but it jumped to $4,320 by 1983-84. While a Guaranteed Student Loan could have provided the funds to cover this recipient's remaining need at the start of this period, it could not do so by 1983-84. The maximum loan available from that program was $2,500 and left Cal Grant A recipients at independent institutions with at least $1,820 in college costs to cover from some other source. By borrowing the maximum amount allowed by the Guaranteed Student Loan program to help meet their remaining need, these students would have an aggregate indebtedness of at least $10,000 by the time they graduated.

Other Sources of Financial Aid

At this time, no one knows how current Cal Grant A recipients tend to meet the substantial and growing levels of remaining need they face if they want to attend college. Among recipients from low-income families who often face the highest levels of remaining need for the reasons outlined earlier, institutional grant funds, federal campus-based grants like Supplemental

Educational Opportunity Grants, programs like College Work-Study, and Guaranteed Student Loans probably make up the difference between their college costs and family contributions, Cal Grant A awards, and Pell Grants. For many middle- and upper-middle-income recipients, however, the only sources of additional aid are loans, institutional grants, and outside employment. Despite lower average remaining need levels, only a small percentage of these recipients are eligible for Pell Grants, and most cannot qualify for federal campus-based grant funds or the College Work-Study program.

In the late 1970s, the failure of the Cal Grant programs to expand either the number or size of their awards was partially offset by the rapid expansion of federal financial aid programs and the extension of eligibility to middle- as well as low-income students. Since 1981-82, however, the failure of the State to expand its programs at the same time that college costs were rising rapidly and federal aid was being cut back, forced both public and independent institutions to rely more heavily than ever on institutional grant aid to assist financially needy students.

The fee increases in the public segments since 1981-82 and other rising college costs stemming from inflationary pressures would have produced enrollment losses or shifts had not additional financial aid been available for needy students. In the case of the State University, the Legislature appropriated $3.4 million dollars to provide additional financial aid to Cal Grant recipients and other State University students with demonstrated financial need. This additional aid was designed to help cover the costs of the $100-fee increase in 1982-83, but in 1983-84, the increase in State University fees from $505 to $692 was not accompanied by any increase in financial aid funds from the State. As a result, the $11.6 million in additional aid funds required to offset the fee increase was generated from student fee revenues. In essence, students at the State University were called on to provide financial aid for their less affluent fellow students when the State failed for one year to provide the needed funds.

Student-supported financial aid has a much longer history in the University and at independent institutions, where for decades a significant portion of the revenues from fee increases has been used to fund financial aid for other students with demonstrated need. In 1978-79, for example, University students provided $30.5 million in financial aid for their fellow students, compared to only $12.8 million from all the Cal Grant programs combined. By 1982-83 -- the last year for which complete figures are available -- University students were providing over $51.5 million in financial aid to fellow students, while the Cal Grant programs contributed $17.4 million. Not only have University students contributed nearly three times as much as the State for financial aid for their fellow students, but student-supported financial aid for needy University students has increased more rapidly than financial aid from State General Funds.

Among independent institutions, the link between rising tuition and fees and increased institution-funded financial aid has been a particularly vicious circle. Sharp increases in fees and other college costs not only increase the amount of financial aid needed by students already receiving it, but force others to apply for aid as well. Cutbacks in federal aid and the failure of the State to increase maximum grants appreciably has led to a substantial increase in remaining need among Cal Grant A recipients at independent institutions and placed additional pressures on these institutions to increase institutional grant funds. Furthermore, the number of Cal Grant A recipients attending these institutions has dropped considerably in the last four years, while the number of their undergraduates requiring financial assistance has grown. The results have been annual increases in tuition to cover inflationary cost increases and additional demand for more financial aid. These, in turn, have increased further the need for additional financial aid and the upward pressure on tuition. News stories suggest that independent institutions are becoming concerned about the rate at which tuition has increased in recent years and about possible limits on the willingness of their students to pay for substantial amounts of financial aid for fellow students. In California, a number of independent institutions revised their planned tuition increases downward in 1983-84, and their representatives have expressed concern about their institutions' capacity to continue to make up for federal financial aid cutbacks and the loss of Cal Grant A awards by increasing the amount of institutional grant funds they generate through donations and student tuition increases.

RENEWAL OF CAL GRANT A AWARDS

Recipients of new Cal Grant A awards are eligible to renew their awards for three additional years or until they graduate, whichever comes first. To be eligible to renew their grant, they must continue to demonstrate financial need and meet their institution's standards for satisfactory academic progress. Up until 1982-83, renewal applicants also had to meet income and asset ceilings that eliminated some from continued eligibility regardless of their financial need or academic performance.

As Table 20 shows, the losses in new Cal Grant A recipients that independent institutions have experienced have also contributed to a sharp decline in the number of renewal recipients in that segment. The State University and the University, on the other hand, have had more renewal recipients each year.

Comparing the change in the number of renewal recipients in each segment from one year to the next with the change in the number of first-time recipients during the prior year provides one way of estimating the extent to which shifts in first-time awards help explain changes in renewal patterns. Such a comparison shows that in the late 1970s, increases or decreases in the number of renewals exceeded shifts in the prior year's new awards and suggests that the renewal income ceiling was an important factor in preventing award winners in all segments from renewing. In 1980-81 and the following year, the number of renewal recipients at the University and State University increased over the prior year and did so at a rate that exceeded the prior year's growth in new awards.

Among independent institutions, however, the number of renewal recipients continued a persistent decline at a rate that exceeded by nearly two to one the prior year's loss in new award winners. The elimination of the renewal income ceiling in 1982-83 did nothing to reverse this decline in the number of renewal recipients at these institutions, but it did reduce their losses

TABLE 20 Number of Cal Grant A Renewal Recipients by Segment, 1980-81 to 1983-84.

Segment	1980-81 Number	1981-82 Number	1982-83 Number	1983-84 Number	Change 1980-81 to 1983-84 Number	Change 1980-81 to 1983-84 Percent
State Univ.	5,145	6,076	6,291	6,472	+1,327	+25.7%
University	7,211	7,790	8,608	9,131	+1,920	+26.6
Independent	11,171	10,171	9,575	8,869	-2,302	-20.6
Proprietary	285	301	284	312	+ 27	+ 9.5

Source: CSAC Research, October 1983 Agenda.

for the first time to levels that could largely be explained by prior year's losses in new recipients. These patterns continued in all segments in 1983-84.

Table 21 shows the different factors aside from the income ceiling that have affected overall renewal rates during the past four years. The number of eligible students who renew each year excludes the 1,200 to 1,700 recipients who drop out during the year and the 8,500 to 9,500 graduating seniors. While there have been some changes in the importance of the various factors from year to year, the remarkable thing about the information in Table 21 is the general stability in the renewal rates and in the relative importance of

TABLE 21 Cal Grant A Renewal and Loss Rates, 1980-81 to 1983-84

Item	1980-81 #	1980-81 %	1981-82 #	1981-82 %	1982-83 #	1982-83 %	1983-84 #	1983-84 %
Renewed	23,271	79.3%	23,679	79.8%	23,608	80.9%	22,432	76.9%
Academically Ineligible	207	0.9	203	0.7	61	0.2	96	0.3
Lack of Academic Progress	-		-		406	1.4	380	1.3
Lack of Financial Need	1,629	5.5	1,425	4.8	1,270	4.4	1,876	6.4
Self Withdrawal	1,172	4.0	896	3.0	851	2.9	748	2.6
Did Not Reapply	2,955	10.0	3,288	11.1	2,890	9.9	3,533	12.1
To CC Reserve	147	0.5	169	0.6	108	0.4	105	0.4
To Deferment	0	0.0	1	0.0	1	0.0	0	0.0

Source: CSAC Research, October 1984 Agenda, N-1, p.4.

the factors associated with nonrenewal. Furthermore, it shows the high degree of persistence in the program among regular Cal Grant A recipients.

COMMUNITY COLLEGE RESERVE PORTION OF THE CAL GRANT A PROGRAM

Community College students have not been eligible to participate directly in the Cal Grant A program ostensibly because the grants cover a portion of tuition and required fees and these colleges have not charged required fees as a condition for enrollment. Nevertheless, the Cal Grant A program contains two features that are potentially significant for high ability Community College transfer students with demonstrated financial need. The first is the provision discussed earlier that permits Community College as well as four-year college students who have not yet completed their junior year to apply for a new Cal Grant A award. The second is the Community College reserve portion of the program that provides reserve awards for successful applicants who plan to attend a Community College before transferring to a participating four-year college or university.

The Community College reserve program, unlike the regular Cal Grant A award process, does not have statutory limitations on the number of new awards. Over the last four years, between 2,034 and 2,939 reserve recipients were selected annually, and 1,260 to 1,360 prior-year reserve winners renewed their awards. The number of new recipients each year is determined by the number of Community College reserve applicants who meet or exceed the grade-point cutoffs for the regular part of the program. These winners can then renew their reserve awards if they continue to demonstrate financial need and make satisfactory academic progress. When they transfer, they receive the same size grant as regular Cal Grant A recipients in that segment.

Characteristics of Reserve Winners

Community College reserve winners designate at the time they apply the Community College they plan to attend and the four-year institution and segment to which they hope to transfer. The largest number of new reserve winners, like the majority of all Community College transfer students, plan to attend the State University, yet as Table 22 shows, major shifts have occurred over the past four years in the segment new reserve winners plan to attend. The number planning to transfer to a State University campus nearly doubled from 956 to 1,713 in these years and increased from 47.0 to 58.3 percent of all new reserve winners. The number planning to transfer to the University increased from 517 to 775, but the proportion did not change much. On the other hand, the independent institutions experienced the a drop in this portion of the program as they did in the regular part of the Cal Grant A program: from 534 to 399, representing a sharp decline from 26.2 to 13.6 percent of all new reserve awards.

TABLE 22 New Community College Reserve Winners by Segment, 1980-81 to 1983-84.

Segment	1980-81 Number	1980-81 %	1981-82 Number	1981-82 %	1982-83 Number	1982-83 %	1983-84 Number	1983-84 %
State University	956	47.0%	1,224	50.9%	1,402	53.2%	1,713	58.3%
University	511	25.1	678	28.2	754	28.6	775	26.4
Independent	534	26.2	474	19.7	448	17.0	399	13.6
Proprietary	33	1.6	28	1.2	32	1.2	52	1.8

Source: CSAC Applicant/Recipient Data Tapes.

Academic Level of Reserve Winners

The same provisions governing eligibility for regular Cal Grant A awards apply to the Community College reserve portion of the program, including unit limits, the income ceiling, and need requirements. As expected, the largest percentage of reserve winners are either prefreshmen or freshmen at the time they apply. Moreover, increasing numbers of new reserve recipients were already enrolled in college at the time they applied -- a trend that was also evident among regular Cal Grant A applicants and recipients. For instance, in 1980-81, 70.2 percent of new reserve winners were high school seniors, compared to only 45.2 percent by 1983-84. At the same time, the proportion of freshman winners rose from 19.5 to 33.9 percent, and that of sophomore winners more than doubled from 9.0 to 18.5 percent. These latter two groups of reserve recipients were already enrolled at a Community College at the time they applied.

Other Characteristics of Reserve Winners

How do Community College reserve winners who meet the same high academic standards as regular winners differ from the regular winners? Do economic circumstances alone prompt them to attend a Community College first?

An examination of the family-income distribution of dependent reserve winners shows that it was not markedly different from that of regular recipients. For the three major segments, as Table 23 shows, the percentage of reserve and regular winners from families with incomes under $12,000 were quite close and changed only slightly over the past four years. Moreover, the proportion of regular winners from families with incomes under $24,000 in the State University and University was somewhat greater than that of reserve winners and in independent institutions the figures for the two groups were identical.

TABLE 23 *Percentage of Community College Reserve and Regular Cal Grant A Recipients with Family Incomes Below $12,000, 1980-81 to 1983-84*

Segment	1980-81 Regular	1980-81 CCC Reserve	1981-82 Regular	1981-82 CCC Reserve	1982-83 Regular	1982-83 CCC Reserve	1983-84 Regular	1983-84 CCC Reserve
State University	20%	18%	16%	16%	14%	17%	15%	19%
University	17	17	15	17	14	16	15	17
Independent	18	13	15	15	13	12	13	13

Source: CSAC Applicant/Recipient Data Tapes.

If the family-income distribution of dependent Community College reserve winners was not different from that of regular new Cal Grant A recipients, the proportion who were self supporting was. As Table 24 shows, the percentage of self-supporting reserve recipients in all three segments exceeded the percentage among regular winners in 1980-81. Further, the proportion of financially independent reserve winners increased in all segments -- especially at the University, where it more than doubled, and at the State University, where it more than tripled. By 1983-84, nearly three times as large a proportion of Community College reserve recipients as new Cal Grant A recipients planning to attend the University were self supporting. In the State University, the proportion of independent recipients increased in both groups, but the percentage among reserve winners exceeded that among regular winners by 50 percent.

TABLE 24 *Percentage of Self Supporting Community College Reserve Winners Compared to Regular Cal Grant A Recipients, 1980-81 to 1983-84*

Segment	1980-81 Regular	1980-81 CCC Reserve	1981-82 Regular	1981-82 CCC Reserve	1982-83 Regular	1982-83 CCC Reserve	1983-84 Regular	1983-84 CCC Reserve
State University	15%	11%	16%	23%	22%	26%	23%	35%
University	11	15	11	19	11	26	11	31
Independent	8	9	8	14	9	16	10	16

Source: CSAC Applicant/Recipient Data Tapes.

More work remains to be done on the similarities and differences between reserve and regular Cal Grant A winners. Until then, the large and rising proportion of Community College reserve recipients who are independent may be an important factor in their decision to first attend a Community College, but the vast majority of reserve winners were still dependent students from families whose incomes were quite similar to those of regular Cal Grant A winners.

Renewal Patterns of Community College Reserve Winners

The idea of guaranteeing a grant to financially needy high-ability Community College students so they can transfer to four-year institutions is very appealing. By promising to help cover a portion of tuition and required fee costs after transfer, the reserve portion of the Cal Grant A program provides an incentive to transfer and the promise of easing the financial transition from Community Colleges to four-year institutions.

How well does it work? The published information on the Community College program renewal rates is useful in answering this question, but not entirely satisfactory for three reasons. First, it includes both new and renewal recipients and thus constitutes an average of conceivably very different renewal patterns. Second, it covers the whole program and does not delineate possible differences in the renewal and transfer patterns among recipients planning to transfer to different segments. Third, there is a regular and apparently sizable two-way flow between the reserve and regular portions of the Cal Grant A program that complicates the computation of persistence and transfer rates. For example, over the last three years, about 400 to 500 Community College reserve recipients left the reserve program for the four-year regular program during each academic year, while 650 to 700 Cal Grant A recipients shifted from regular to reserve status during the year.

To explore the question of renewal and transfer rates within the reserve program, Commission staff tracked new Community College reserve winners in 1980-81 over the next three years to see how many renewed their awards, how many transferred to four-year institutions and converted their reserve to a regular award, and how many did not renew or left the program for one reason or another. The patterns of pre-freshman and freshman winners were examined separately, and their renewal and transfer rates compared.

Overall, there were 1,432 new pre-freshman Community College reserve winners in 1980-81. By the following year, 639 or 44.6 percent of them failed to renew their awards or withdrew; 81 or 5.6 percent were no longer able to demonstrate financial need; 525 or 36.7 percent renewed their reserve awards; and 187 or 13 percent transferred to a four-year institution and became regular Cal Grant A renewal winners. In other words, slightly less than half of the new pre-freshman reserve recipients in 1980-81 were still in the program just one year later.

Of the 712 reserve or regular renewal recipients left in 1981-82, 130 renewed their reserve awards again in 1982-83, 387 transferred to four-year institutions, and the other 195 either did not renew (107) or were no longer able to demonstrate need (88). The 517 remaining in the program were further reduced by 1983-84. Only 14 remained as Community College reserve renewals, and 382 were transfer renewal recipients.

Among the 1,296 freshmen who were Community College reserve recipients in 1980-81, 397 were new winners and 899 were renewal recipients. By 1981-82, 244 or 18.8 percent were renewal recipients, 540 or 41.7 percent were transfer recipients, 56 were no longer financially needy, and 456 or 35.2 percent had not renewed their awards. In this year, over 60 percent of the freshman reserve winners were still in the program one year later, compared to the less than half of the pre-freshman winners. The greater percentage of freshman reserve winners who renewed or transferred with their award the second year was partly the result of the large percentage of renewal winners in this group.

The Commission also carried out its analysis of the 1980-81 pre-freshman Community College reserve winners and their renewal, transfer, and disappearance rates for each of the segments. The net changes in these rates from year to year varied considerably with reserve recipients planning to transfer to State University campuses more likely to renew their reserve awards and transfer within the next two years than those planning to transfer to the University or to independent institutions. In the State University, 54.4 percent of its pre-freshman Community College reserve winners in 1980-81 were still in the program one year later, and 43.4 percent were participating in 1982-83. In the University, the figures were 50.6 percent the second year and 36.3 percent the third. Among new reserve winners planning to transfer to independent institutions, however, these percentages were only 39.9 and 22.1 percent. One factor behind the State University's higher renewal and transfer rates of reserve winners, of course, is its lower price of attendance compared to other universities and its historical role as the primary destination for Community College transfer students.

Linking the records of the new reserve winners in 1980-81 with subsequent year's files shows that some reserve winners changed their minds about where they planned to transfer. Some selected more expensive institutions, but the majority of those who changed their minds switched to less expensive transfer institutions. Sometimes, however, these reserve winners lost eligibility because they could no longer demonstrate financial need at their new institution. Each year, about 2.5 to 3.0 percent of the grants of reserve winners who transfer are not renewed on the grounds of insufficient financial need and so are 2 to 3 percent of those who remain at a Community College a second year and try to renew their reserve award. This loss of eligibility occurs more often in a switch from independent to State University campuses, although it can occur in other instances as well.

The overall percentage of Community College reserve winners who renew their awards and eventually transfer with an award is quite low considering the high level of prior academic achievement among reserve winners: less than 50 percent compared to over 77 percent for pre-freshman regular Cal Grant A recipients in 1981-82. Further analysis of this topic is needed before a full explanation is possible. Perhaps the time lag between selection and actual transfer and use of the reserve award is a factor in the difference, or perhaps the large number of self-supporting students in the Community College reserve program face particular problems in financing their educations that have not been adequately recognized or dealt with. For instance, the failure to fully fund State University Cal Grant A awards in 1983-84 so that only $257 of the $692 required fees were covered, may have made the size of these awards unattractive compared to the potential earnings from a full- or part-time job, even if employment led to enrolling part time instead of full time as expected by the Cal Grant A program.

Whatever the full explanation, 6.5 to 7.5 percent of all Community College reserve winners in recent years have dropped out of the program during their first year in college, an additional 4 to 5 percent have withdrawn from the program after starting the renewal process, and between 30 and 35 percent simply have not reapplied the second year.

At least 2.5 percent of reserve winners transferred each year but could not show financial need afterward, so it is conceivable that other talented Community College reserve winners transfer eventually without assistance from this program. That leaves about 1,100 to 1,200, or 28 to 35 percent, of the reserve winners who renew their awards each year and another 28 to 30 percent who transfer to a participating institution with a Community College reserve grant. Yet, in each of the last three years, more reserve winners did not reapply for their award than actually renewed them, and as many failed to reapply as transferred with assistance from one of these awards.

Such results are disappointing, especially since the losses involve a small but academically talented portion of the Community Colleges enrollment; students who have clear transfer objectives and the capability to succeed. In its final report in this series, the Commission will examine further the causes for this low renewal and transfer rate and explore possible solutions to it, but several steps could be taken immediately to improve the situation.

The greatest attrition in the Community College reserve program occurs among pre-freshman recipients in their first year in college, as it typically does among all first-year college students. Those who re-enroll their second year, or in this instance renew their Community College reserve awards, persist in greater numbers in subsequent years. Consequently, if the number of these awards were limited by statute, the substantial first-year attrition rate would suggest delaying identification of recipients until the sophomore year or on the eve of transfer. The number of new awards are not restricted, however, and depend only on the number of qualified applicants who meet the grade-point cutoff of the regular program.

It seems that the advantage of early identification of these potential transfer students is lost even though Community College reserve winners are made known to both the Community Colleges they attend initially and the institutions to which they want to transfer. Privacy laws or other factors do not appear to discourage the identification of these students, but so far the process used of identification has proved ineffective. At least two points seem clear:

- The current process of providing Community College presidents with a list of reserve winners attending their institution and designating Community College reserve winners with asterisks on the list of new recipients sent to the financial aid offices at four-year institutions has clearly not worked. For some reason the lists are not being used effectively because the information is not reaching those who might better inform these potential transfer students about the transfer process and their chosen four-year institutions' academic expectations, costs of attendance, financial aid programs, and other pertinent information.

- If the Community College reserve application form had a simple waiver that the students could sign giving the Student Aid Commission authority to inform the recipients' Community Colleges that they were reserve winners and inform the institutions that these students identified as their transfer choices, the needed academic and financial counseling for these promising students could be made available at both the Community College level and through personal outreach efforts by the chosen four-year institutions.

To the extent that the problems preventing the Community College reserve program from fully realizing its potential stem from inadequate information on academic and financial aid questions or the lack of adequate links between these prospective transfer students and the four-year institutions, the steps outlined here could help and would be relatively easy to implement.

THREE

CAL GRANT B APPLICANTS AND RECIPIENTS

The Cal Grant B Program, established as the California Opportunity Grant program in 1968-69, assists low-income disadvantaged students by providing grants to help cover subsistence costs immediately and then tuition and required fee costs after the first year. Designed to enable students from groups who have been underrepresented historically in higher education to attain a baccalaureate degree, the Cal Grant B program selects recipients using a complex scoring system that considers not only high school or college grade- point averages, but family income, level of parental education, family size, and a series of responses to questions about the applicant's life and career goals. The program provides some degree of choice among different colleges and universities but requires that 51 percent of all new recipients initially attend a Community College.

The program has expanded over the years from 4,761 total awards in 1973-74 to 20,070 in 1979-80 and then leveled off. The total number of authorized new awards peaked in 1980-81 at 6,995 and then was reduced to 6,825 in subsequent years. Funding for the program also peaked in 1980-81 at $30.6 million, and then declined steadily to $28.0 million in 1983-84.

APPLICATION PATTERNS AND CHARACTERISTICS OF APPLICANTS

The total number of applicants for first-time Cal Grant B awards increased dramatically between 1978-79 and 1983-84, but this increase was uneven, as it was in the Cal Grant A program. From 34,951 applicants in 1978-79, the number rose to 35,806 in 1979-80, increased to 41,437 in 1980-81, jumped to 58,065 in 1981-82, dropped to 56,029 in 1982-83, and then rose slightly to 56,082 in 1983-84. The most striking change was the sharp increase in 1981-82, followed by relative stability since then. This is the same trend and timing pattern exhibited by applicants to the Cal Grant A program as well, suggesting that the surge in applications in 1981-82 stemmed from the same general forces -- fears of sharp cutbacks in federal financial aid along with the first of a series of marked fee increases at public four-year institutions and continued tuition increases at independent institutions in the State.

Not all applicants to the Cal Grant B program completed their applications. This was true of the Cal Grant A program as well, but in the Cal Grant B program the problem was more serious. In 1980-81, only 25,011, or 60.3 percent, of the 41,437 who started the application process actually completed the required forms; in 1981-82 only 29,934, or 51.6 percent, did so, and by 1983-84, 33,346, or 59.4 percent, of the 56,082 completed their applications. The corresponding figures for the Cal Grant A program were 72.5, 70.7, and

73.4 percent, respectively. This comparison suggests that high achieving students from either low-income or more advantaged backgrounds have less difficulty than do disadvantaged students completing all the forms and paperwork required to apply for financial aid. Although numerous efforts have been made in recent years to simplify the application process, these data suggest that there is still room for considerable improvement.

In the sections that follow, only those who completed their applications and for whom complete information exists are analyzed.

Applicants Choice of Insitution

The overall growth of more than 33 percent in the number of eligible first-time applicants between 1980-81 and 1983-84 was not distributed evenly among the Community Colleges and the four-year segments, as Table 25 shows. Among the major participants in the program, the Community Colleges experienced the greatest relative and absolute increase in applicants: 3,956 additional applicants for an increase of more than 44 percent. Nearly half of this increase occurred in 1981-82.

Similar, but less dramatic, increases occurred at the State University and the University -- an increase of 1,720 applicants or 25.4 percent at the State University, and 1,397 or 36.5 percent at the University. Again, the greatest part of these increases occurred in 1981-82.

Independent institutions, however, increased the size of their applicant pool at a much more modest rate. Their number of new Cal Grant B applicants

TABLE 25 Number of Cal Grant B Applicants by Segment, 1980-81 to 1983-84

	1980-81		1981-82		1982-83		1983-84		1980-81 to 1983-84	
Segment	Number	%	Number	%	Number	%	Number	%	Number	Percent
Community Colleges	8,895	35.6%	10,750	35.9%	11,693	37.1%	12,851	38.5%	+3,956	+44.5%
State University	6,759	27.0	7,829	26.2	8,308	26.4	8,479	25.4	+1,720	+25.4
University	3,829	15.3	4,809	16.1	5,070	16.1	5,226	15.7	+1,397	+36.5
Independent	4,883	19.5	5,631	18.8	5,367	17.0	5,510	16.5	+ 627	+12.8
Proprietary and Other	645	2.6	915	3.0	1,071	3.4	1,196	3.6	+ 551	+85.4
All Segments	25,011	100.0%	29,934	100.0%	31,509	100.0%	33,346	100.0%	+8,335	+33.3%

Source: CSAC Applicant/Recipient Data Tapes.

increased by 748 in 1981-82, but then dropped by more than 100 over the next two years. Overall, the independent institutions' pool increased by only 627, or 12.8 percent, over this four-year period.

Proprietary and other private institutions enrolled no more than 3.6 percent of applicants over these years, but they increased their number of applicants by almost as much as the independent institutions -- 551 compared to 627 -- and by 85.4 percent.

As a result of these widely varied growth rates, the segmental distribution changed in important ways, but the shifts in the Cal Grant B program were not nearly as dramatic as they were in the Cal Grant A program. Community College applicants accounted for 35.6 percent of all eligible applicants in 1980-81 and for 38.5 percent in 1983-84. At no time, however, did the proportion of applicants from these institutions approach 51 percent of the total -- the proportion of new awards that program regulations require Community College students receive. In contrast to the substantial increases in the absolute and relative share of Cal Grant A applicants at the State University, the number of Cal Grant B applicants increased by 1,720 but its share actually declined from 27.0 percent to 25.4 percent. The University's share increased slightly as did that of proprietary and other private institutions, while independent institutions' applicants declined from 19.5 to 16.5 percent of the total -- a drop of more than 15 percent.

The Dependency Status of Applicants

There was a slight increase in the ratio of financially dependent to independent applicants during these four years, although the number of financially independent applicants increased at a substantially faster rate -- 102.9 to 28.6 percent -- as Table 26 shows. Overall, the percentage of independent students applying to this program has been only about half as large as among Cal Grant A applicants, in part because eligibility for Cal Grant B awards is limited to high school seniors or students who have completed less than 16 units of college level work.

In the Community Colleges, the number of independent or self-supporting applicants more than doubled, increasing by 1,321 over 1980-81 levels and by more than all other segments combined. At proprietary and other private institutions, the rate of increase was also substantial, although the numbers involved were lower. The percentage of independent applicants in these two segments greatly exceeded those in the four-year institutions and increased from 10.4 to 17.5 percent and from 9.0 to 12.0 percent of all Community College and proprietary institution applicants, respectively.

In the State University, the number of independent applicants increased at a faster rate than dependent applicants, but self-supporting applicants still accounted for no more than 6.0 percent of total State University applicants. At both the University and independent institutions, self-supporting applicants increased by only 8 and 22, respectively. Moreover, self-supporting applicants declined from 3.9 to 3.0 percent of all applicants at the University and remained at just 3.4 percent at independent institutions.

TABLE 26 Dependency Status of Cal Grant B Applicants by Segment, 1980-81 to 1983-84

Segment and Status	1980-81 Number	1981-82 Number	1982-83 Number	1983-84 Number	Change 1980-81 to 1983-84 Number	Change 1980-81 to 1983-84 Percent
Community Colleges						
Dependent	7,972	9,375	9,986	10,605	+2,633	+ 33.0%
Independent	923	1,375	1,707	2,244	+1,321	+143.1
State University						
Dependent	6,456	7,485	7,879	7,968	+1,512	+ 23.4
Independent	303	344	429	511	+ 208	+ 68.6
University						
Dependent	3,669	4,682	4,936	5,068	+1,399	+ 38.1
Independent	150	127	134	158	+ 8	+ 5.3
Independent						
Dependent	4,719	5,431	5,196	5,324	+ 605	+ 12.8
Independent	164	200	171	186	+ 22	+ 13.4
Proprietary and Other Private						
Dependent	587	772	934	1,136	+ 549	+ 93.5
Independent	58	143	137	144	+ 86	+148.3
All Segments						
Dependent	23,413	27,745	28,931	30,103	+6,690	+ 28.6
Independent	1,598	2,189	2,578	3,243	+1,645	+102.9

Source: CSAC Applicant/Recipient Data Tapes

Family Income of Dependent Applicants

As noted above, more than 80 percent of all Cal Grant B applicants in each segment depend on their parents for financial support, and in the public and independent four-year institutions this percentage exceeds 94 percent. Table 27 shows how the family-income distribution of these applicants has changed over the past four years.

While segmental differences in the family-income distribution of these applicants reflect differences in the family-income distribution of all their undergraduates and the substantial differences in their cost of attendance, they also reflect the strong focus of the Cal Grant B program on applicants with very low incomes from disadvantaged backgrounds. For example, over 90 percent of these applicants in the Community Colleges came from families with incomes of less than $24,000 in 1980-81, as did nearly 84 percent in 1983-84. The Community Colleges also had the highest percentage of these low-income applicants with family incomes below $12,000. At the more expensive, but still low-priced State University, 83.3 percent of its dependent applicants came from families with incomes below $24,000 in 1980-81, as did

TABLE 27 Family Income Distribution of Financially Dependent Cal Grant B Applicants by Segment, 1980-81 to 1983-84

Segment and Income in Thousands	1980-81		1981-82		1982-83		1983-84		1980-81 to 1983-84	
	#	%	#	%	#	%	#	%	#	%
Community Colleges										
$0-11.999	4,767	59.7%	4,822	51.5%	4,980	49.8%	5,479	51.7%	+712	+ 14.9%
12-17.999	1,684	21.1	1,969	21.0	2,136	21.4	2,122	20.0	+438	+ 26.0
18-23.999	827	10.4	1,250	13.3	1,282	12.8	1,254	11.8	+427	+ 51.6
24-35.999	588	7.4	1,042	11.1	1,167	11.6	1,240	11.7	+652	+110.9
36-41.999	76	1.0	143	1.5	202	2.0	226	2.1	+150	+197.4
42 and Up	30	0.3	149	1.6	219	2.2	284	2.7	+254	--
State University										
$0-11.999	2,802	43.4	2,834	32.6	2,846	36.1	2,852	35.7	+ 50	+ 1.8
12-17.999	1,543	23.9	1,670	22.3	1,735	22.0	1,632	20.5	+ 89	+ 5.8
18-23.999	1,030	16.0	1,187	15.8	1,225	15.5	1,298	16.3	+268	+ 26.0
24-35.999	864	13.4	1,355	18.1	1,413	17.9	1,418	17.8	+554	+ 64.1
36-41.999	136	2.1	242	3.2	307	3.9	326	4.1	+190	+139.7
42 and Up	81	1.2	197	2.6	353	4.5	442	5.5	+361	--
University										
$0-11.999	1,255	34.2	1,315	28.1	1,239	25.1	1,346	26.5	+ 91	+ 7.2
12-17.999	840	22.9	1,031	22.0	976	19.8	962	19.0	+122	+ 14.5
18-23.999	662	18.0	783	16.7	838	17.0	828	16.3	+166	+ 25.1
24-35.999	679	18.5	947	20.3	1,073	21.7	1,063	21.0	+384	+ 56.6
36-41.999	152	4.1	287	6.1	333	6.7	320	6.3	+168	+110.5
42 and Up	91	2.5	319	6.8	477	9.7	549	10.8	+458	--
Independent										
$0-11.999	1,399	29.7	1,380	25.4	1,152	22.2	1,146	21.5	-253	- 18.1
12-17.999	1,078	22.8	1,126	20.7	1,013	19.5	991	18.6	- 87	- 8.1
18-23.999	841	17.8	903	16.6	899	17.3	827	15.5	- 14	- 1.7
24-35.999	999	21.1	1,271	23.4	1,241	23.9	1,247	23.4	+248	+ 24.8
36-41.999	213	4.5	340	6.3	341	6.6	407	7.6	+194	+ 91.1
42 and Up	189	4.0	411	7.6	550	10.6	706	13.3	+517	--
Proprietary and Other Private										
$0-11.999	223	38.0	298	38.6	301	32.2	375	33.0	+152	+ 68.2
12-17.999	141	24.0	143	18.5	168	18.0	213	18.8	+ 72	+ 51.1
18-23.999	93	15.8	109	14.1	148	15.8	174	15.3	+ 81	+ 87.1
24-35.999	92	15.7	152	19.6	204	21.9	210	18.4	+118	+128.3
36-41.999	25	4.2	42	5.4	48	5.1	66	5.8	+ 41	+164.0
42 and Up	13	2.2	28	3.6	65	7.0	98	8.6	+ 85	--

Source: CSAC Applicant/Recipient Data Tapes

72.5 percent in 1983-84. At both the higher priced University and independent institutions, nearly 70 percent came from families with incomes below this level at the start of the period, but by 1983-84 the percentages declined to 61.8 and 55.6 percent, respectively.

The number of applicants from families with incomes below $12,000 or between $12,000 and $18,000 increased very slowly or modestly at the State University and University, but the most striking changes occurred in the family-income distribution of dependent applicants at independent institutions. The number from families with incomes below $24,000 declined by 354. Losses in the "Under $12,000 category exceeded 18 percent, and those in the "$12,000-$17,999" category were over 8 percent. The only increases were in the family-income categories above $24,000, with those in the "$36,000 to $41,999" and "$42,000 and Up" categories more than doubling. In other words, the entire increase in the dependent applicant pool at independent institutions occurred among students whose families had incomes that exceeded the Cal Grant B program's income levels for eligibility, often by a substantial margin. A similar trend occurred among their Cal Grant A applicant pool as well.

Again, the decline in the percentage of dependent applicants from families with incomes below $24,000 and the marked increase in the percentage of applicants from families with incomes above $36,000 stemmed in part from the impact of inflation during this period. Table 28 shows the income distribution in both 1980-81 and 1983-84 in terms of 1980 dollars and includes an index based on the relative size of each income group.

These income patterns appear quite different from those in Table 27. Of particular note is the marked increase in the proportion of applicants at both ends of the income spectrum and the relative and absolute decline in the size of the lower-middle and middle-income groups, especially those with 1980-equivalent incomes between $24,000 and $35,999. This trend is evident in every segment, although at Community Colleges the relative size of the lowest income category did not increase as rapidly as it did in the four-year institutions because a larger number and proportion of low-income students attended the two-year colleges from the very beginning. The overall number of applicants in the $24,000 to $35,999 range dropped by 939. The relative size of this group was only 50 to 58 percent as large as it had been four years earlier, although all applicants in this and higher income categories were above the program's permitted income levels at both the start and end of the period. At the upper-income levels, a marked increase occurred in applicants from families with 1980-equivalent incomes of $36,000 and above in 1983-84. More applicants from such families wanted to attend four-year institutions at both the start and end of this period, but the relative size of this group increased most rapidly in the Community Colleges.

The most significant fact about the family-income distribution of Cal Grant B applicants is not apparent from Table 27 or Table 28. Stated simply, considerably more low-income applicants at four-year institutions apply for Cal Grant A awards than for Cal Grant B awards. For example, 5,433 State University dependent applicants from families with incomes below $12,000 in 1980-81 applied for Cal Grant A awards, but only 2,802 applicants from

TABLE 28 Family Income Distribution of Financially Dependent Cal Grant B Applicants by Segment, 1980-81 and 1983-84, in Constant 1980 Dollars

	1980-81		1983-84			
Segment and Income	Number	Percent	Number	Percent	Change	Index
Community Colleges						
$0-11,999	4,767	59.7	6,646	62.7	+1,879	105
$12,000-17,999	1,684	21.1	1,989	18.8	+ 305	89
$18,000-23,999	827	10.4	1,085	10.2	+ 258	98
$24,000-35,999	588	7.4	459	4.3	- 129	58
$36,000-41,999	76	1.0	239	2.2	+ 163	225
$42,000 and Up	30	0.3	186	1.8	+ 156	584
State University						
$0-11,000	2,802	43.4	3,750	47.1	+ 948	108
$12,000-17,999	1,543	23.9	1,805	22.6	+ 262	95
$18,000-23,999	1,030	16.0	1,159	14.5	+ 129	91
$24,000-35,999	864	13.4	608	7.6	- 256	57
$36,000-41,999	136	2.1	353	4.4	+ 217	211
$42,000 and Up	81	1.2	292	3.7	+ 211	305
University						
$0-11,999	1,255	34.2	1,875	37.0	+ 620	108
$12,000-17,999	840	22.9	1,116	22.0	+ 276	96
$18,000-23,999	662	18.0	821	16.2	+ 159	88
$24,000-35,999	679	18.5	507	10.0	- 172	54
$36,000-41,999	152	4.1	348	6.9	+ 196	167
$42,000 and Up	91	2.5	401	7.9	+ 310	316
Independent						
$0-11,999	1,399	29.7	1,691	31.8	+ 292	107
$12,000-17,999	1,078	22.8	1,128	21.2	+ 50	93
$18,000-23,999	841	17.8	936	17.6	+ 95	99
$24,000-35,999	999	21.1	619	11.6	- 380	55
$36,000-41,999	213	4.5	451	8.5	+ 238	188
$42,000 and Up	189	4.0	509	9.6	+ 320	239
Proprietary and Other Private						
$0-11,999	223	38.0	492	43.3	+ 269	114
$12,000-17,999	141	24.0	239	21.0	+ 88	88
$18,000-23,999	93	15.8	175	15.4	+ 82	97
$24,000-35,999	92	15.7	90	7.9	- 2	50
$36,000-41,999	25	4.2	77	6.8	+ 52	161
$42,000 and Up	13	2.2	62	5.4	+ 49	248

Source CSAC Applicant/Recipient Data Tapes similar families applied for B awards. In 1983-84, the margin was even greater, with 6,757 low-income Cal Grant A applicants in the State University, compared to 2,852 Cal Grant B applicants in the lowest income range. In the other four-year segments, a similar pattern prevailed throughout these four years -- less than half as many low-income dependent students applied for Cal Grant B awards in each segment as applied for Cal Grant A awards.

The eligibility of students already enrolled in college to apply for Cal Grant A awards does not explain this substantial discrepancy in numbers. Instead, it appears that the absence of tuition and fee coverage for new Cal Grant B recipients during the first year creates a substantial disincentive for those seeking to attend four-year institutions -- despite the provision between 1980-81 and 1983-84 of $1,100 grants for living costs in the first and all subsequent years. The original program designers were aware of this, but incorporated the no-fee provision for the first year to encourage at least half of the Cal Grant B recipients to attend Community Colleges initially. However, soon after the program's inception a legal ruling eliminated the need to continue the no-fee provision when it concluded that 51 percent of all new awards must be made to Community College students. As it now stands, only a minority of the lowest-income applicants for State grant aid apply for assistance from the program designed expressly to serve them -- the Cal Grant B program.

Income Distribution of Financially Independent Applicants

The income of financially independent or self-supporting applicants includes both taxable and non-taxable earnings of the applicants themselves and, in the case of married applicants, the earnings of their spouses. Table 29 on page 65 shows the income distribution of these applicants for each segment.

The Community Colleges had the largest number of self-supporting applicants and experienced a greater increase in these applicants than all other segments combined. The State University experienced the next most substantial increase, with their number more than doubling. The number of self-supporting applicants from proprietary institutions also more than doubled, but the overall number from these institutions remained quite small. On the other hand, the number of self-supporting applicants at the University and independent institutions barely increased at all.

Overall, the greatest increase in the number of self-supporting applicants occurred among those with incomes of less than $3,000 per year. The only significant growth in self-supporting applicants with incomes above that level occurred in the Community Colleges.

High School Grade-Point Distribution of Applicants

High school grade-point averages are only one of the criteria used in the complex Cal Grant B scoring system to allocate new awards. Nevertheless, they remain an important criterion for selection to the program. As Table 30 on page 66 shows, sizable differences exist in the grade-point distribution of applicants among the segments.

TABLE 29 Student and Spouse Income of Financially Independent Cal Grant B Applicants by Segment, 1980-81 to 1983-84

Segment and Income in Thousands	1980-81		1981-82		1982-83		1983-84		Change 1980-81 to 1983-84	
	#	%	#	%	#	%	#	%	#	%
Community Colleges										
$0-2.999	499	54.1%	742	54.0%	1,023	59.9%	1,417	63.1%	+918	+184.0%
3-5.999	320	34.7	399	29.0	343	20.1	461	20.5	+141	+ 44.1
6-8.999	77	8.3	167	12.1	239	14.0	267	11.9	+190	+246.8
9-11.999	17	1.8	49	3.6	67	3.9	72	3.2	+ 55	+323.5
12 and Up	10	1.1	18	1.3	35	2.0	27	1.2	+ 17	+170.0
State University										
$0-2.999	204	67.3	229	66.6	338	78.8	391	76.5	+187	+ 91.7
3-5.999	84	27.7	76	22.1	59	13.8	88	17.2	+ 4	+ 4.8
6-8.999	13	4.3	23	6.7	21	4.9	21	4.1	+ 8	+ 61.5
9-11.999	0	0.0	10	2.9	8	1.9	4	0.8	+ 4	--
12 and Up	2	0.7	6	1.7	3	0.7	7	1.4	+ 5	+250.0
University										
$0-2.999	101	67.3	84	66.1	109	81.3	123	77.8	+ 22	+ 21.8
3-5.999	38	25.3	37	29.1	18	13.4	28	17.7	- 10	- 26.3
6-8.999	7	4.7	4	3.1	6	4.5	5	3.2	- 2	- 28.6
9-11.999	4	2.7	0	0.0	1	0.7	1	0.6	- 3	- 75.0
12 and Up	0	0.0	2	1.6	0	0.0	1	0.6	+ 1	--
Independent										
$0-2.999	106	64.6	121	60.5	104	60.8	114	61.3	+ 8	+ 7.5
3-5.999	43	26.2	56	28.0	36	21.0	44	23.6	+ 1	+ 2.3
6-8.999	11	6.7	14	7.0	18	10.5	17	9.1	+ 6	+ 54.5
9-11.999	2	1.2	4	2.0	5	2.9	5	2.7	+ 3	+150.0
12 and Up	2	1.2	5	2.5	8	4.7	6	3.2	+ 4	+200.0
Proporietary and Other Private										
$0-2.999	25	43.1	55	38.5	56	40.9	58	40.3	+ 33	+132.0
3-5.999	22	37.9	49	34.3	29	21.2	47	32.6	+ 25	+113.6
6-8.999	5	8.6	20	14.0	30	21.9	19	13.2	+ 14	+280.0
9-11.999	5	8.6	7	4.9	14	10.2	13	9.0	+ 8	+160.0
12 and Up	1	1.7	12	8.4	8	5.8	7	4.9	+ 6	+600.0

Source: CSAC Applicant/Recipient Data Tapes

In part, these differences are a clear reflection of the academic selectivity of each segment. The open-door admissions policy of the Community Colleges is evident in the large percentage of its Cal Grant B applicants with grade-point averages below 2.5. Nearly half of its applicant's high school grades fell below this level in 1980-81, and while the relative size of this group declined slightly, their number increased by 1,860 to 6,199 by 1983-84.

TABLE 30 Grade-Point Distribution of Cal Grant B Applicants by Segment, 1980-81 to 1983-84

Segment and Grade Point	1980-81		1981-82		1982-83		1983-84		Change 1980-81 to 1983-84	
	#	%	#	%	#	%	#	%	#	%
Community Colleges										
Under 2.5	4,339	48.8%	5,301	49.3%	5,805	49.6%	6,199	48.2%	+1,860	42.9%
2.5-2.79	1,505	16.9	1,753	16.3	1,906	16.3	2,125	16.5	+ 620	41.2
2.8-2.99	834	9.4	968	9.0	1,001	8.6	1,236	9.6	+ 402	48.2
3.0-3.39	1,408	15.9	1,682	15.6	1,819	15.6	1,912	14.9	+ 504	35.8
3.4 and Up	809	9.1	1,043	9.7	1,162	10.0	1,299	10.1	+ 490	60.6
State University										
Under 2.5	1,802	26.7	1,986	25.4	2,040	24.6	2,100	24.8	+ 298	16.5
2.5-2.79	1,255	18.6	1,376	17.6	1,485	17.9	1,436	16.9	+ 181	14.4
2.8-2.99	812	12.0	976	12.5	1,021	12.3	1,032	12.2	+ 220	27.1
3.0-3.39	1,664	24.6	1,997	25.5	2,090	25.2	2,179	25.7	+ 515	30.9
3.4 and Up	1,226	18.1	1,495	19.1	1,672	20.1	1,732	20.4	+ 506	41.3
University										
Under 2.5	241	6.3	283	5.9	258	5.1	330	6.3	+ 89	36.9
2.5-2.79	218	5.7	318	6.6	304	6.0	313	6.0	+ 95	43.6
2.8-2.99	284	7.4	339	7.0	341	6.7	364	7.0	+ 80	28.2
3.0-3.39	1,110	29.0	1,421	29.5	1,487	29.3	1,457	27.9	+ 347	31.3
3.4 and Up	1,976	51.6	2,448	50.9	2,680	52.8	2,762	52.8	+ 786	39.8
Independent										
2.5 and Up	713	14.6	933	16.6	937	17.4	997	18.1	+ 284	39.8
2.5-2.79	575	11.8	740	13.1	670	12.5	680	12.3	+ 105	18.3
2.8-2.99	472	9.7	525	9.3	523	9.7	553	10.0	+ 81	17.2
3.0-3.39	1,251	25.6	1,371	24.3	1,326	24.7	1,309	23.7	+ 58	4.6
3.4 and Up	1,882	38.5	2,062	36.6	1,915	35.7	1,971	35.8	+ 89	4.7
Proprietary and Other Private										
Under 2.5	264	40.9	435	47.5	519	48.4	671	56.1	+ 407	154.2
2.5-2.79	126	19.5	165	18.0	190	17.7	198	16.6	+ 72	57.1
2.8-2.99	78	12.1	95	10.4	99	9.2	119	9.9	+ 41	52.6
3.0-3.39	113	17.5	141	15.4	178	16.6	217	18.1	+ 104	92.0
3.4 and Up	64	9.9	79	8.6	85	7.9	75	6.3	+ 11	17.2

Source: CSAC Applicant/Recipient Data Files

They experienced even more rapid increases in Cal Grant B applicants with grade point averages of 3.0 or more, but by 1983-84 these applicants still accounted for one-fourth of the Community Colleges total applicants.

Proprietary school applicants had a grade-point distribution that was similar to that of the Community Colleges with large numbers of applicants at the lower end of the grade-point spectrum. Unlike the Community Colleges which experienced increases in applicants at both ends of the spectrum, two-thirds of the increase in proprietary school applicants came from prospective students with grades below 2.5.

The State University had approximately one-fourth of its Cal Grant B applicants with grades at the bottom of the grade-point spectrum and about one in five at the top, but its greatest growth occurred among applicants who had at least a 3.0 average.

The independent institutions had a considerably smaller proportion of their applicants than the State University with averages below 2.5 and substantially more with at least a 3.4 average, but between 1980-81 and 1983-84 most of their modest growth in applicants occurred among those with low grade-point averages.

Finally, just 6.3 percent of the University's Cal Grant B applicants had grades below 2.5. More than 80 percent had grade-point averages of 3.0 or above and more than half had averages of 3.4 or higher. The small number of applicants with low grades is understandable at the University with its high admissions standards since such applicants could enroll only if granded special admission status.

Overall, a substantial part of the increase in Cal Grant B applicants occurred at the lower end of the grade-point spectrum. There were 2,900 more applicants with grade-point averages below 2.5 by 1983-84 than in 1980-81. Applicants with such averages secured Cal Grant B awards throughout this period, but increased competition for the limited number of new grants made these applicants less competitive than before. Moreover, their heavy concentration in the Community Colleges had important implications for their future eligibility to transfer eventually to four-year institutions to complete their baccalaureate.

The number of applicants with grade-point averages above 3.0 increased even more substantially -- up 1,528 for those with grade averages of 3.0 to 3.39, and 1,882 for those with averages of 3.4 or above. By 1983-84, over 14,900 applicants with averages of 3.0 or better, including 7,839 with averages of 3.4 or more, were competing for only 6,825 new awards. Not all of these applicants were able to score high on the indicies of disadvantagement, however, and many others were from families with incomes too high to qualify regardless of their family size.

The number of applicants at public institutions with averages of 3.0 or better increased by 3,148, while the number of such applicants at independent institutions grew by only 147. Further, a large proportion of independent institutions' applicants with high averages came from families with incomes too high to qualify, and an increasing number of those who remained had grade-point averages that made them less competitive.

PROGRAM PROVISIONS AFFECTING THE DISTRIBUTION OF NEW CAL GRANT B AWARDS

Changes in the Cal Grant B applicant pool had an impact on the distribution of new awards among students and segments. Yet at least four program provisions and features had an even more dramatic impact on this distribution: (1) the assistance only for subsistence costs the first year, (2) the requirement that 51 percent of all new awards must go to Community College students, (3) statutory limits on the number of new awards, and (4) the elements in the Cal Grant B scoring system for allocating awards. The following paragraphs examine each of these provisions in turn and evaluate its impact.

Assistance Only Toward Subsistence Costs the First Year

Since its inception, the Cal Grant B program's grants for first-year recipients have helped cover only subsistence costs. As noted earlier, the original purpose of this provision was to encourage at least half of all Cal Grant B recipients to attend Community Colleges initially, but it is no longer required for that purpose. Its major impact now seems to be to discourage applications from low-income applicants who want to uce these awards attend four-year institutions and to increase significantly the level of unmet need of new low-income grant recipients. The impact of this provision on recipients' unmet need levels will be examined more fully later in this chapter and its possible effect on renewal rates assessed.

Allocating 51 Percent of New Awards to Community College Students

This program provision was implied in the original legislation creating the Cal Grant B program and made explicit in a subsequent legal ruling. While the Community Colleges had more applicants than any other segment and experienced the largest increase in applicants by 1983-84, they at no time had more than 38.5 percent of all Cal Grant B applicants. Yet, these colleges have always served large numbers of low-income disadvantaged students, including many from ethnic minorities, and in 1983-84 they had 69.2 percent of all self-supporting applicants and 48.9 percent of all dependent applicants from families with incomes below $12,000. While the 51 percent provision has guaranteed these institutions at least half of all new Cal Grant B recipients, no evidence was uncovered during this study to suggest that they received a disproportionate share of these grants, considering the size and characteristics of their applicant pool.

At the same time, one of the major purposes of the Cal Grant B program has been to provide needed financial aid to disadvantaged students so they could attend college and successfully complete at least a baccalaureate degree. The major remaining question about the 51 percent provision is what its impact has been on fulfilling this important program goal. In other words, how effective have the Community Colleges been in preparing their Cal Grant B recipients and other disadvantaged students for eventual transfer to four-year institutions?

Statutory Limits on the Number of New Awards

As in the Cal Grant A program, the number of first-time awards is fixed by statute. In 1980-81 a special adjustment permitted the distribution of 6,995 awards that year, but in subsequent years the number of new awards returned to the 6,825 permitted in statute. This represents slightly more than half the number of new grants provided by the Cal Grant A program.

Again, no discussion of the implications of changing any of the other major program provisions would be complete without reference to this limitation on the number of new awards. The constant number of awards makes the competition for new awards a "zero-sum game," since the inclusion of newly eligible groups or the exclusion of once eligible groups results in some applicants who used to receive awards losing out to other newly eligible applicants.

The most serious problem with the fixed number of new awards, however, is that it has forced the program to turn down increasingly large numbers of low-income applicants with considerable financial need. Further, most of the needy eligibles in the Cal Grant B program are desperately needy, and the failure to provide sufficient numbers of new awards almost certainly means that many of these applicants will not be able to afford to attend college at all. Because of this great effect on opportunity and access, the need to increase new awards in the Cal Grant B program deserves the highest priority.

The Elements in the Cal Grant B Scoring System

There are five parts to the complex Cal Grant B scoring system used to allocate new grants. While all five parts are important in determining applicants' final scores and their eligibility for a grant, each is assigned a different weight, with the last three parts worth 85 of the 100 possible total points.

The first of the fire elements involves the level of education attained by each applicant's parents. The maximum score of 10 is assigned to those whose parents have virtually no formal education, and a score of zero is received if the applicants' parents have both completed high school or attended college.

The second element assigns from zero to five points, depending on whether or not the applicant comes from a single-parent home.

The third element, worth a maximum of 30 points, consists of two sets of 19 statements about the applicant's life and goals. The first eight consist of responses to the phrase, "I want to attend college in order:" with such options as "To follow through with my goals and gain a better perspective on life," "To make my community a better place in which to live," and "To get more education so that I may earn more money to help my family." The second set focuses on how the applicant describes himself or herself, and the eleven possible responses include such statements as "I come from a family of migratory farm workers," "My family gets help from welfare or social security," "I do not speak English at home," "I do well in most classes," and "I cannot attend college without financial help." The applicant's score for this element depends on how many responses are circled. While the obvious purpose of the statements is to try to determine the level of disadvantage of each applicant and something about his or her aspirations, the statements are naturally subjective and somewhat redundant. Unfortunately, the more precise applicants are in describing their situation, the fewer responses they will check and the lower their score will be. The subjectiveness of these questions and possible misunderstandings by applicants suggests that this important part of the scoring system should be carefully reviewed to determine its appropriateness in measuring disadvantagement and its influence on the distribution of awards.

The fourth part of the scoring system assigns 20 to 35 possible points to applicants depending on their high school grade-point average. The minimum score of 20 points is awarded if the applicant's grades are unreported or below 2.0, while increasing points are assigned for higher grades up to a maximum of 35 points. Unlike the Cal Grant A program, where grade-point cutoffs are used to determine new grant recipients, Cal Grant B applicants with grades from below 2.0 up to 4.0 receive points in this part of the scoring system and can still receive awards if their scores in other sections are high enough. The fixed number of new awards, and the marked increase in eligible applicants during recent years, have made the grade- point averages of applicants from otherwise similar low-income, disadvantaged families relatively more important.

The final part of the scoring system is a income-family size matrix that assigns between zero and 20 points to applicants depending upon where they fall within the matrix. Anyone scoring below four points in this part, however, is considered ineligible to receive an award no matter what they score on the other four parts. In that sense, it operates in a manner that is somewhat similar to the income ceiling in the Cal Grant A program, although the income-family size matrix does not establish a single cutoff point.

A closer examination of the income-family size matrix suggests that it places too great an emphasis on income in its scoring and not enough weight on family size. For instance, a single self-supporting student with an income under $5,000 from a household of one receives 18 out of a possible 20 points -- the same score as a dependent student from a family of 14 with an income of $7,000 to $7,999. Likewise, a dependent or independent student from a family of three with an income of $10,000 to $10,999 receives 9 out of 20 possible points -- the same score as one from a family of 14 with an income of $13,500 to $14,999. Finally, applicants from a family of six with an income of just $20,500 would score less than the minimum required four points and so do applicants from families of 11 or more when their incomes exceed $22,500. These comparisons are not made to suggest that anyone currently receiving a Cal Grant B award cannot demonstrate significant financial need as well as other evidence of disadvantagement or that any grants are going to applicants who do not desperately need them if they are to attend college. Our review of the income-family size matrix, however, does suggest that sizable numbers of similarly needy, disadvantaged applicants are being turned down because their incomes exceed an arbitrary level on a matrix that does not adequately reflect the financial circumstances of applicants from large families.

DISTRIBUTION AND CHARACTERISTICS OF NEW CAL GRANT B RECIPIENTS

As a result of the fixed number of first-time Cal Grant B awards and the increased competition for them, there have been some important shifts in the distribution and characteristics of new recipients.

Number of New Recipients

Table 31 on page 72 summarizes the shifts that have occurred in the segmental distribution of new award winners since 1980-81. In that year, 3,579 recipients attended Community Colleges, 1,790 entered the State University, 927 went to the University, 627 enrolled at independent institutions, and 77 attended proprietary institutions. Beginning in 1981-82, however, the number of new awards was reduced from 6,995 to its traditional 6,825 and remained at that level for the next two years. Between 1980-81 and 1983-84, the number of new recipients at Community Colleges increased by 92 to 3,671; the number at the State University declined by 45 to 1,745; those at the University and at proprietary institutions increased very slightly; and the number at independent institutions dropped by 160, or by nearly 26 percent, to 367. The 51-percent provision that guarantees Community Colleges more than half of all new awards left them largely unaffected by changes in the number of Cal Grant B applicants or the program's other provisions. The four-year institutions were not so fortunate, and independent institutions were the most adversely affected.

The Dependency Status of New Recipients

Table 32 on page 72 shows the marked shift that has occurred in the number of financially independent or self-supporting students receiving new Cal Grant B awards. The increase in independent recipients is similar to, but more substantial than, the increase in such applicants. A similar trend was evident in the Cal Grant A program, but in the Cal Grant B program the greater success of independent or self-supporting applicants apparently stemmed from features of the family income-family size matrix scoring system and the large number with extremely low personal incomes. As noted earlier, that matrix weights income much more heavily than family size, so independent students are treated generously by the scoring system. Overall, there was a decrease of 803 dependent recipients and an increase of 626 independent or self-supporting recipients in these four years.

Income Level of New Recipients

Table 33 on page 74 shows that major shifts have occurred in the income distribution of dependent Cal Grant B recipients since 1980-81. The most significant was a decline of 844 recipients from families with incomes below $12,000. Unlike the Cal Grant A program, where the drop in low-income recipients occurred only at independent institutions, the losses among

TABLE 31 Number of New Cal Grant B Recipients by Segment, 1980-81 to 1983-84

Segment	1980-81 Number	1981-82 Number	1982-83 Number	1983-84 Number	Change 1980-81 to 1983-84 Number	Change 1980-81 to 1983-84 Percent
Community Colleges	3,579	3,604	3,570	3,671	+ 92	+ 25.7%
State University	1,790	1,595	1,792	1,745	- 45	- 2.5
University	927	870	892	939	+ 12	+ 1.3
Independent	627	630	461	367	- 160	- 25.5
Proprietary and Other	77	126	110	103	+ 26	+ 33.8
All Segments	6,995	6,825	6,825	6,825	- 170	- 2.4

Source: Enclosure I-1, CSAC Agenda, October 1983.

TABLE 32 Number of First-Time Cal Grant B Recipients by Segment and Dependency Status, 1980-81 to 1983-84

Segment and Status	1980-81 Number	1981-82 Number	1982-83 Number	1983-84 Number	Change 1980-81 to 1983-84 Number	Change 1980-81 to 1983-84 Percent
Community College						
Dependent	3,049	2,863	2,728	2,643	- 406	- 13.3%
Independent	530	741	842	1,028	+ 498	+ 94.0
State University						
Dependent	1,612	1,410	1,538	1,452	- 160	- 9.9
Independent	178	185	254	293	+ 115	+ 64.6
University						
Dependent	842	804	810	841	- 1	- 0.1
Independent	85	66	82	98	+ 13	+ 15.3
Independent						
Dependent	562	547	403	320	- 242	- 43.1
Independent	65	83	58	47	- 18	- 27.7
Proprietary and Other Private						
Dependent	61	89	83	69	+ 8	+ 13.1
Independent	16	37	27	34	+ 18	+112.5

Source: CSAC Applicant/Recipient Data Tapes.

dependent low-income Cal Grant B recipients occurred in every segment and stemmed from more self- supporting applicants receiving new awards, not from an increase in dependent recipients from higher income families.

The substantial decline in the number of dependent low-income recipients in the Cal Grant B program and the shift toward more independent or self-supporting recipients is a source of concern. While everyone who receives a new grant under this program would be unlikely to able to attend college without financial assistance, the increasing number of low-income dependent applicants who are being turned away without grants so directly affects access to postsecondary education and educational opportunity in California that steps will need to be taken to remedy the situation.

Grade-Point Distribution of New Recipients

The heightened competition for new Cal Grant B awards led to increases in the grade-point averages among successful applicants, but unlike the Cal Grant A program there are no grade-point cutoffs in the B program, and because of the complex scoring system the applicants with averages from the very lowest to the highest can and do still receive new Cal Grant B awards. Nevertheless, as Table 34 on page 75 shows, there have been major declines in the number of new recipients with low grade-point averages, particularly among those with averages below 2.5. In the Community Colleges, for example, 466 fewer new awards went to applicants with grade-point averages below 2.5, as did 197 fewer in the State University, 18 in the University, and 39 at independent institutions. The greatest increases in new recipients occurred among those with grade-point averages of 3.0 and above, except at independent colleges where there were fewer new recipients in every single grade-point category by 1983-84.

Most of the decline in Black, Chicano, and white recipients in the Community Colleges -- and of Black and white recipients at the State University -- involved those whose grade-point averages ranked them near the bottom of the scale of prior academic achievement, but the use of grade-point averages in the scoring system was not the only factor behind the ethnic shifts that occurred. The large number of new Cal Grant B recipients in the Community Colleges and State University with grade averages below 2.5 indicate that low grades by themselves were insufficient to disqualify an otherwise eligible applicant. Moreover, there were very minor changes in the University's grade-point distribution during these four years, and yet the number of its Asian and Hispanic recipients increased markedly, while Black and white recipients declined.

TABLE 33 Income Distribution of Dependent Cal Grant B Recipients by Segment, 1980-81 TO 1983-84

Segment and Income Level	1980-81 Number	1981-82 Number	1982-83 Number	1983-84 Number	Change 1980-81 to 1983-84 Number	Change 1980-81 to 1983-84 Percent
Community Colleges						
Under $12,000	2,806	2,614	2,426	2,399	- 407	- 14.5%
$12,000-17,999	243	235	279	220	- 23	- 9.5
$18,000-23,999	0	14	23	22	+ 22	--
$24,000 and Up	0	0	0	2	+ 2	--
Total Dependent	3,049	2,863	2,728	2,643	- 406	- 13.3
Independent	530	741	842	1,028	+ 498	+ 94.0
State University						
Under $12,000	1,434	1,236	1,328	1,234	- 200	- 13.9
$12,000-17,999	178	166	204	196	+ 18	+ 10.1
$18,000-23,999	0	8	6	21	+ 21	--
$24,000 and Up	0	0	0	1	+ 1	--
Total Dependent	1,612	1,410	1,538	1,452	- 160	- 13.9
Independent	178	185	254	293	+ 115	+ 64.6
University						
Under $12,000	712	662	645	687	- 25	- 3.5
$12,000-17,999	130	140	148	141	+ 11	+ 8.5
$18,000-23,999	0	1	16	13	+ 13	--
$24,000 and Up	0	0	1	0	0	0.0
Total Dependent	842	804	810	841	- 1	- 0.1
Independent	85	66	82	98	+ 13	+ 15.3
Independent						
Under $12,000	483	462	334	263	- 220	- 45.5
$12,000-17,999	79	84	67	49	- 30	- 38.0
$18,000-23,999	0	1	2	8	+ 8	--
$24,000 and Up	0	0	0	0	0	0.0
Total Dependent	562	547	403	320	- 242	- 43.1
Independent	65	83	58	47	- 18	- 27.7
Proprietary and Other Private						
Under $12,000	58	86	77	61	+ 3	+ 5.2
$12,000-17,999	3	4	5	8	+ 5	+166.7
$18,000-23,999	0	0	1	0	0	0.0
$24,000 and Up	0	0	0	0	0	0.0
Total Dependent	61	89	83	69	+ 8	+ 13.1
Independent	16	37	27	34	+ 18	+112.5

Source: CSAC Applicant/Recipient Data Tapes

TABLE 34 Grade-Point Distribution of New Cal Grant B Recipients by Segment, 1980-81 to 1983-84

Segment and Grade Point	1980-81 Number	1981-82 Number	1982-83 Number	1983-84 Number	Change 1980-81 to 1983-84 Number
Community Colleges					
Under 2.5	1,644	1,472	1,285	1,178	- 466
2.50-2.79	641	593	627	639	- 2
2.80-2.99	361	396	365	429	+ 69
3.00-3.39	606	707	790	821	+ 215
3.40 and Up	328	436	512	604	+ 276
State University					
Under 2.50	409	300	292	212	- 197
2.50-2.79	327	262	265	241	- 86
2.80-2.99	229	206	218	201	- 28
3.00-3.39	457	468	520	552	+ 95
3.40 and Up	368	359	497	539	+ 171
University					
Under 2.50	46	38	23	28	- 18
2.50-2.79	54	47	45	42	- 12
2.80-2.99	73	62	55	61	- 12
3.00-3.39	265	261	276	271	+ 6
3.40 and Up	489	462	493	537	+ 48
Independent					
Under 2.50	89	83	69	50	- 39
2.50-2.79	85	83	61	42	- 43
2.80-2.99	64	71	44	43	- 21
3.00-3.39	169	189	133	108	- 61
3.40 and Up	220	204	154	124	- 96
Proprietary and Other Private					
Under 2.50	37	53	43	49	+ 12
2.50-2.79	16	25	25	14	- 2
2.80-2.99	10	9	11	13	+ 3
3.00-3.39	10	25	16	22	+ 12
3.40 and Up	4	14	15	5	+ 1

Source: CSAC Applicant/Recipient Data Tapes

Ethnic Composition of New Recipients

The primary purpose of the Cal Grant B program is to assist low-income disadvantaged students attend the college or university of their choice. Throughout the program's history, it has provided grant assistance to many ethnic minority students, yet the ethnic composition of new Cal Grant B recipients has shifted significantly in recent years. As Table 35 shows, substantially fewer Black and white students and considerably more Asian students have received new Cal Grant B awards, particularly in the public two- and four-year institutions.

The University has always enrolled a higher percentage of Asian students than any of the other segments. Even in 1980-81, it had more than twice as high a proportion of them among its Cal Grant B recipients as any other segment -- 26.7 percent, compared to 8.2 percent in the Community Colleges, 13.0 percent at the State University, and 11.2 percent at independent institutions. By 1983-84, the percentage of Asian recipients at the University increased to 38.1 percent, and they accounted for 36.4 percent of all new Cal Grant B recipients in the Community Colleges and 34.2 percent in the State University. At independent institutions, however, the proportion of Asian recipients increased only slightly, and they have never comprised a sizable proportion of recipients at proprietary institutions.

The number of Black first-time Cal Grant B recipients dropped sharply in all three public segments -- plunging at the Community Colleges from 1,154 in 1980-81 to 526 in 1983-84 and dropping by 486 among the State University, the University, and independent institutions. At the same time, their percentage of new awards dropped substantially -- from 26.2 to 13.0 percent in the Community Colleges, from 30.4 to 15.7 percent in the State University, from 21.5 to 14.0 percent in the University, and from 27.6 to 20.6 at independent institutions.

Low-income whites experienced the next most sizable loss of new awards in the Cal Grant B program. In 1980-81, they accounted for between 16 and 24 percent of all new recipients, but both their number and proportions dropped over the next three years. Their number declined from 703 to 475 in the Community Colleges, from 330 to 213 in the State University, from 214 to 136 at the University, and from 182 to 97 in independent institutions.

On the other hand, both the number and proportion of new Hispanic Cal Grant B recipients remained fairly steady in every segment except in the Community Colleges and independent institutions, where they declined from 1,825 to 1,144 and from 199 to 97, respectively.

The reasons for this pronounced shift in the ethnic composition of new Cal Grant B recipients can not be fully analyzed at this time because of limitations in the data -- notably the large number of new applicants whose ethnicity is unknown. Nevertheless, several factors appear to be partly responsible. First, the increased competition for new awards stemming from the increase in applicants and the drop in the number of new awards has made every element in the Cal Grant B scoring system more important, including the four indicies

TABLE 35 Number of New Cal Grant B Recipients by Ethnicity and Segment, 1980-81 and 1983-84

Segment and Ethnicity	1980-81 Number	1980-81 Percent	1983-84 Number	1983-84 Percent	Change 1980-81 to 1983-84 Number
Community Colleges					
Blacks	1,154	26.2%	526	13.0%	- 628
Hispanic	1,825	41.5	1,144	28.3	- 681
Filipino	56	1.3	32	0.8	- 24
Asian	359	8.2	1,472	36.4	+1,113
Am. Indian	24	0.5	29	0.7	+ 5
White	703	16.0	475	10.4	- 228
Other	237	5.4	88	2.2	- 149
Unknown	43	1.0	275	6.8	+ 233
State University					
Black	599	30.4	290	15.7	- 309
Hispanic	604	30.7	571	30.9	- 33
Filipino	28	1.4	13	0.7	- 15
Asian	255	13.0	633	34.2	+ 378
Am. Indian	20	1.0	10	0.5	- 10
White	330	16.8	213	11.5	- 117
Other	115	5.8	46	2.5	- 69
Unknown	16	0.8	73	3.9	+ 57
University					
Black	215	21.5	143	14.0	- 72
Hispanic	212	21.3	269	26.4	+ 57
Filipino	16	1.6	15	1.5	- 1
Asian	265	26.7	388	38.1	+ 123
Am. Indian	7	0.7	8	0.8	+ 1
White	214	21.6	136	13.4	- 78
Other	60	6.0	20	2.0	- 40
Unknown	4	0.4	39	3.8	+ 35
Independent					
Black	202	27.6	97	20.6	- 105
Hispanic	199	27.1	165	35.0	- 34
Filipino	8	1.1	3	0.6	- 5
Asian	83	11.3	66	14.0	- 17
Am. Indian	5	0.5	3	0.6	- 2
White	182	24.1	97	20.6	- 85
Other	49	6.3	17	3.6	- 32
Unknown	5	0.7	23	4.9	+ 18
Proprietary and Other Private					
Black	36	38.7	29	25.0	- 7
Hispanic	24	25.8	40	34.5	+ 16
Filipino	0	0.0	1	0.9	+ 1
Asian	4	4.3	7	6.0	+ 3
Am. Indian	1	1.1	1	0.9	0
White	21	22.6	26	22.4	+ 4
Other	6	6.4	7	6.0	+ 1
Unknown	1	1.1	5	4.3	+ 4

Source: CSAC Applicant/Recipient Data Tapes

of disadvantagement used in the scoring system -- family size, parents' education, single family households, and income. Among Cal Grant B applicants, no one ethnic group appears to score consistently better than any other on these indicies, since almost all applicants come from impoverished families where parents often have little formal education. But the apparent advantage that single self-supporting applicants with very low incomes have in the program's scoring system over dependent applicants from large families with slightly higher, but still low, incomes may be partly responsible for these changes. Second, questions about the life goals and objectives of applicants and their grade-point averages appear to take on added significance in allocating the limited number of new awards. Although the data do not permit a full analysis for systematic differences among ethnic groups in their life goals and objectives, Asian applicants appear to be outscoring both Black and white applicants in the grade-point competition.

CAL GRANT B RECIPIENTS, PELL GRANTS, AND REMAINING NEED

In providing a limited number of extremely needy, disadvantaged undergraduates with assistance in meeting subsistence costs for up to four years and with tuition and fee aid after the first year, the Cal Grant B program was designed to complement and supplement federal financial aid programs, especially the Pell Grant program, which focuses on similar types of students. Consequently, the following assessment of program effectiveness includes an examination of (1) the degree to which its awards cover recipients' tuition and required fees after the first year, (2) its interaction with the federal Pell Grant program, and (3) the extent to which these two sources of grant aid meet the financial needs of Cal Grant B recipients.

Coverage of Tuition and Fees

Originally, Cal Grant B awards covered $1,100 of noninstructional or living costs and, after the first year, either tuition and required fees, unmet need, or a specified maximum amount, whichever was less. The $1,100 subsistence portion of the grant did not increase between 1980-81 and 1983-84, and the tuition and fee portion for renewal recipients has failed since 1981-82 to keep pace with rapidly rising tuition and fee levels at both public and independent institutions. If anything, adjustments to reflect higher tuition and fee costs or inflation in the Cal Grant B program have occurred more slowly than in the Cal Grant A program, but the declining level of coverage shown in Table 19 on page 44 adequately describes the deterioration that has occurred in Cal Grant B awards as well.

Pell Grants and Cal Grants

The restrictions in federal Pell Grant eligibility after 1982-83, which had such important effects on Cal Grant A recipients' eligibility for these awards, did not have a major effect of Cal Grant B recipients. Both the Pell Grant and Cal Grant B programs target their grant aid to financially needy students with incomes below $20,000, so there is considerable overlap in program eligibility even though that eligibility is determined by entirely different methods. In 1980-81, between 95 and 98 percent of all new Cal Grant B recipients also received Pell Grants, depending on the segment, as did between 96 and 98, percent in 1983-84.

Costs, Contributions, Grant Levels, and Remaining Need

As everyone knows, the costs of attending college have increased substantially during the past four years. In 1980-81, the average cost of attendance for dependent Cal Grant B recipients (including tuition and fees and the expenses of room, board, books, supplies, and other items) was approximately $3,600 at a Community College, $3,800 at a State University, $4,400 at the University, $8,100 at independent institutions, and $6,500 at proprietary institutions. By 1983-84, this cost remained $3,600 at a Community College but had climbed to $4,700 at a State University, $6,100 at the University, $10,600 at independent institutions, and $8,500 at proprietary institutions.

Cal Grant B recipients come from families with such low incomes that the need-analysis system judges most of them unable to contribute financially toward they children's college costs. In 1980-81, for example, the typical expected parental contribution for new recipients in all segments was less than $150, and it did not increase appreciably over the next four years.

At both the beginning and end of this period, almost all Cal Grant B recipients received Pell Grants, and most received close to the maximum amount allowable under the program for students attending institutions with costs like theirs. For instance, the typical Cal Grant B recipient in 1980-81 received a $770 Pell Grant at a Community College, $962 at a State University, $1,331 at the University, $1,500 at independent institutions, and $1,450 at proprietary institutions. These amounts increased in the four-year institutions by 1983-84, partially offsetting rising tuition and fees. The average Pell Grant was $1,158 for new Cal Grant B recipients at the State University, $1,505 at the University, $1,560 at independent institutions, and $1,576 at proprietary institutions. However, none of these increases offset a significant portion of the rising college costs faced by these needy students.

The ability of the Cal Grant B program itself to offset rising costs was limited for two reasons: First, there was no increase in the subsistence portion of the grant in this period, so that it covered a fixed, but shrinking portion of recipients' rising costs. Second, first-year students received no fee coverage, and renewal recipients has only a limited portion of increased tuition and fee costs covered by their grant.

The net result was a pattern of sharp increases in tuition and fees and other college costs, virtually no increase in parent and student contributions, very little improvement in grant support from either Cal Grant B or Pell Grant programs, and a substantial increase in remaining need -- the amount left to pay through institutional aid funds, term-time employment, or borrowing. Unlike the Cal Grant A program, the level of remaining need did not vary significantly with the recipients' family income, although self-supporting recipients typically had higher levels of remaining need than did dependent recipients. This pattern occured in all four segments and reflects the fact that Cal Grant B recipients' families have such limited incomes that they are unable to contribute much toward financing their childrens' education and that most recipients already receive close to the maximum level Pell Grant and Cal Grant permitted at their institutions.

In the State University, the average new Cal Grant B recipient had a remaining need of $1,100 in 1980-81, while the average renewal recipient had a remaining need of $940, since $160 of required fees were covered by the grant after the first year. Four years later, this remaining need had more than doubled to $2,175 for first-year recipients and $1,960 for renewal recipients.

At the University, the average remaining need of new recipients increased from $1,310 in 1980-81 to $2,860 in 1983-84, and for renewal recipients rose from $895 to $2,184.

Nowhere were the results of the failure of family income, Cal Grants, and Pell grants to keep pace with rising college costs more evident than among Cal Grant B recipients at independent institutions. In 1980-81, the average remaining need of a new dependent recipient at such an institution was $4,800, but it jumped to $7,460 in 1983-84. At these same institutions, the average remaining need of a dependent renewal recipient grew from $1,785 to $4,120. While a Guaranteed Student Loan could have provided the funds to cover the remaining need of renewal recipients at the start of this period, if not for new recipients, it could not do so by 1983-84. Unless institutional grant funds were sufficient to make up sizable portions of these impoverished recipients' remaining financial need, all of them would likely have an aggregate indebtedness of at least $10,000 by the time they graduated.

The substantial differences in remaining need levels between new and renewal Cal Grant B recipients in all segments, but particularly at the University and at independent institutions, raise fundamental questions about the equity and advisability of confronting extremely low-income, first-year recipients in the four-year institutions with higher unmet need their initial year than they are likely to experience in subsequent years. These students face substantial personal and financial obstacles to securing a college education that the no-fee provision only compounds. If their institution can make up the difference between new and renewal award levels as well as cover some of the substantial remaining need with their own grant funds, then the new Cal Grant B recipient may well persist. However, as we shall see later in this report, first-year renewal rates, especially at higher priced four-year institutions, raise doubts about the success and wisdom of failing to cover fees during the first year in this program.

Other Sources of Financial Aid

At this time, no one knows how current Cal Grant B recipients tend to meet the substntial and growing levels of remaining need they face if they want to attend college. Among these recipients from very low-income families, institutional grant funds, federal campus-based grants like Supplemental Economic Opportunity Grants, programs like College Work-Study, and Guaranteed Student Loans probably make up the difference between their college costs and family contributions, Cal Grant B awards, and Pell grants, but for first-year recipients the packaging process in no doubt complex. Moreover, the failure of the State to expand its programs at the same time that college costs were rising rapidly and federal aid was being cut back forced both public and independent institutions to rely more heavily on institutional grant aid to assist financially needy students. Further, for many of the same reasons outlined on pages 46-48 of this report, this response to insufficient State and federal grant aid has important limitations and is unlikly to prove a permanent solution.

RENEWAL OF CAL GRANT B AWARDS

Recipients of new Cal Grant B awards are eligible to renew their awards for three additional years, and those starting their higher education at Community Colleges can transfer to four-year institutions with their grant continuing to help with their subsistence costs as well as some of their higher tuition or fees. To be eligible to renew their grants, they must continue to demonstrate financial need and meet their institution's standards of satisfactory academic progress or the academic standards of the institution to which they seek to transfer.

As Table 36 on page 82 shows, only the Community Colleges and the proprietary institutions experienced increases in the number of renewal recipients between 1980-81 and 1983-84, despite the fact that most of these increases were at two-year institutions, where the rising number of new Cal Grant B recipients were eligible to renew for just one additional year. All the four-year institutions experienced losses in the number of renewal recipients that were greater than could be explained by prior years' changes in the number of new recipients. In the case of the State University, there was a slight decline of 45 new recipients but a drop of 406 renewal recipients. In the University, first-time recipients increased by just 12, while renewal recipients declined by 446.

As was so often the case, independent institutions experienced the greatest decline, with the loss of 160 new Cal Grant B recipients and 512 renewal recipients. With fewer renewal recipients by 1983-84 than four years earlier, the losses at independent institutions and those at public four-year institutions involved more than simply a drop in the number of potential renewal recipients: They suggest that there are not large numbers of Cal Grant B recipients transferring from the Community Colleges to these institutions.

Table 37 on page 82 shows the different factors that have affected overall Cal Grant B renewal rates during the past four years and includes Cal Grant B recipients who withdrew during the academic year as well as those who graduated. The overall renewal rate has remained remarkably steady during this period, but the data show that the number of recipients who withdraw from school during the year doubled between 1980-81 and 1981-82 and remained at the higher drop-out level for the next two years. Roughly one out of every ten recipients decided not to apply to renew their grants, 2.4 to 3.6 percent did not follow through on their plans and actually enroll, and another 1.1 to 1.6 percent withdrew before completing the renewal process.

TABLE 36 Number of Cal Grant B Renewal Recipients by Segment, 1980-81 to 1983-84

Segment	1980-81 Number	1981-82 Number	1982-83 Number	1983-84 Number	Change 1980-81 to 1983-84 Number	Change 1980-81 to 1983-84 Percent
Community College	4,269	4,764	5,136	4,993	+ 724	+ 17.0%
State University	5,162	4,733	4,593	4,756	- 406	- 7.9
University	2,870	2,517	2,466	2,424	- 446	- 15.5
Independent	1,615	1,378	1,282	1,103	- 512	- 31.7
Proprietary	144	138	174	176	+ 22	+ 15.3

Source: CSAC Research, October 1983 Agenda.

TABLE 37 Cal Grant B Renewal and Loss Rates, 1980-81 to 1983-84

Item	1980-81 #	1980-81 %	1981-82 #	1981-82 %	1982-83 #	1982-83 %	1983-84 #	1983-84 %
Renewed	14,420	71.8%	13,530	63.2	13,651	67.1	13,452	66.3
Graduated	1,549	7.7	1,642	7.7	1,578	7.7	1,626	8.0
Academically Ineligible	87	0.4	93	0.4	46	0.2	55	0.2
Lack of Financial Need	241	1.2	286	1.3	176	0.9	256	1.3
Self Withdrawal	212	1.1	288	1.3	320	1.6	278	1.4
Did Not Reapply	1,989	9.9	2,509	11.8	2,143	10.5	1,733	8.6
Withdrawn During Year	1,080	5.4	2,417	11.3	1,653	8.1	2,122	10.5
Failed to Pick Up Checks	488	2.4	501	2.3	735	3.6	698	3.4
Other	11	0.1	149	0.7	53	0.3	57	0.3
Total	20,077	100.0%	21,415	100.0%	20,355	100.0%	20,277	100.0%

Source: CSAC Research, October 1983 Agenda, I-1.

Very few Cal Grant B renewal applicants were actually disqualified for failure to make satisfactory academic progress, although an unknown number of those who withdrew during the year or did not reapply may have experienced academic problems.

Despite the general stability in the renewal rates after 1980-81 and apparent consistency in the relative importance of most factors leading to non-renewal overall, the declining number of renewal recipients at four-year institutions deserves further scrutiny. To explore the question, Commission staff tracked new Cal Grant B winners in 1980-81 over the next three years to see how many renewed their awards and examine the net changes in renewal rates from segment to segment. Table 38 below shows the results for all segments except the proprietary institutions, which had few recipients in 1980-81.

Considering the circumstances of so most new Cal Grant B recipients and the poor academic preparation of many, their overall persistence rates the first year were impressive. They compared quite favorably, for instance, to the first-year persistence rate of approximately 70 percent reported by the State University several years ago and were markedly better than the persistence rate of special admittance students at the same time (California State University, 1979, pp. 3, 11).

The Community Colleges had the lowest first-year renewal rate of any of the segments, but this result was not surprising considering that nearly half of their Cal Grant B recipients in 1980-81 entered with grade-point averages of less than 2.5, and nearly 16 percent entered with less than 2.0.

The persistence rates during the first year at the State University and the University were exceptionally high -- 76.6 and 88.2 percent, respectively -- and suggest that in addition to financial aid, their Cal Grant B recipients received other needed support services. These rates also suggest that the failure to cover fees during the first year at the State University was not as critical in the early years of this period when fees were low than it may

TABLE 38 Persistence Rates Among New 1980-81 Cal Grant B Recipients by Segment, 1980-81 to 1983-84

	1980-81		1981-82		1982-83		1983-84	
Segment	Number	%	Number	%	Number	%	Number	%
Community Colleges	3,579	100.0%	2,174	60.7%	1,082	30.2%	424	11.8%
State University	1,790	100.0	1,372	76.6	1,218	68.0	1,232	68.8
University	927	100.0	818	88.2	729	78.6	671	72.4
Independent	627	100.0	407	64.9	338	53.9	319	50.8

Source: CSAC Applicant/Recipient Data Tapes

be now that its fees have nearly tripled. Likewise, they suggests that the failure to cover fees is being fully offset for University students from the University's own student-funded financial aid.

The first-year renewal rate of nearly 65 percent at independent institutions, while quite good, is considerably lower than at the public four-year institutions. For their Cal Grant B recipients, the failure to cover fees the first year means a difference of $3,400 in grant support that may be more difficult for the institutions themselves to provide. While the relatively high persistence rate suggests that many of these schools are managing to do so, the failure of the Cal Grant B program to cover tuition and fees the first year may represent a genuine hardship for some recipients and adversely affect their ability to continue with their educations.

Without being able to link individual recipient's records from one year to the next, it is impossible to speak with assurance about two critical persistence issues in the second and third years. In both of the public four-year institutions, the number of Cal Grant B recipients enrolled was 89 percent of the total number of new recipients they enrolled in 1980-81, and the figure for the independent institutions was 83 percent. However, those enrolled in 1982-83 may not have been the same individuals, because others transferred into these segments from the Community Colleges. The slight increase in recipients at the State University between 1982-83 and 1983-84 clearly suggests that some students were transferring there from the Community Colleges with Cal Grant B awards, as does the sharp drop in the number of Cal Grant B recipients remaining enrolled in the Community Colleges in both 1982-83 and 1983-84. Unfortunately,the exact number of Cal Grant B recipients who begin their collegiate education in a Community College and then successfully transfer to a four-year institution is not known. Since they were not required to convert their awards when they transferred, as Community College reserve winners under the Cal Grant A program had to do, they cannot be traced.

FOUR

CAL GRANT C APPLICANTS AND RECIPIENTS

The Cal Grant C program, established in 1973-74 as the Occupational Training Grant Program, provides grant assistance for vocational training to students from low- and middle-income families. To be eligible, applicants must be enrolled in a vocational program of from four months' to two years' duration at a Community College, independent institution, postsecondary vocational-technical school, or in a thre-year hospital-based registered nursing program. The Cal Grant C program is aimed specifically at vocationally rather than academically oriented students and is designed to provide training for them in manpower short areas.

The Cal Grant C program has not expanded significantly since its inception. The 1,054 new grants authorized in 1975-76 were increased to 1,337 the following year but have not been increased since. The manpower shortage areas were defined by the Student Aid Commission in 1974-75 and have remained essentially unchanged since then. Both the $2,000 maximum tuition grant and the $500 grant for training-related costs have never been adjusted for inflation. And total program funding increased from $1.31 million in 1975-76 to a high of $3.29 million in 1979-80, before declining to $2.89 million by 1983-84.

APPLICATION PATTERNS AND CHARACTERISTICS OF APPLICANTS

As in the other two major State grant programs, the total number of applicants for first-time Cal Grant C awards increased dramatically from 14,934 in 1980-81 to 21,972 in 1983-84. While the biggest jump in applicants occurred between 1980-81 and 1981-82, the number of applicants continued to increase through 1983-84 rather than level off.

Moreover, as in the Cal Grant B program, substantial numbers of people who began the Cal Grant C application process failed to complete their applications. In all, only 8,776 or 58.8 percent of the 14,934 people who began the process in 1980-81 completed it, and 13,988 or 63.7 percent of the 21,972 who started in 1983-84 did so. It is the characteristics of these completers that are analyzed in the sections that follow.

Applicants' Choice of Institution

The overall growth of more than 59.4 percent in the number of eligible first-time applicants between 1980-81 and 1983-84 was not even, as Table 39 on page 86 shows. Among the major segmental participants in the program, the Community Colleges had the greatest increase: 3,672 additional applicants for an increase of 67.0 percent. Proprietary and other private institutions,

TABLE 39 Number of Cal Grant C Applicants by Segment, 1980-81 to 1983-84

Segment	1980-81 Number	1980-81 %	1981-82 Number	1981-82 %	1982-83 Number	1982-83 %	1983-84 Number	1983-84 %	Change 1980-81 to 1983-84 Number	Change 1980-81 to 1983-84 Percent
Community Colleges	5,489	62.2%	7,973	67.9%	8,827	68.6%	9,167	65.7%	+3,678	+67.0%
Independent	796	9.0	1,047	8.9	1,014	7.4	1,040	7.4	+ 244	+30.6
Proprietary and and Private	2,540	28.8	2,721	23.2	3,020	23.5	3,745	26.8	+1,205	+47.4
All Segments	8,776	100.0	11,741	100.0	12,861	100.0	13,988	100.0	+5,212	+59.4

Source: CSAC Appliant/Recipient Data Tapes

including hospitals offering registered nurse-training programs, increased by 1,205 applicants or by 47.4 percent. Finally, the applicant pool at participating independent institutions increased by only 244 applicants for a more modest growth rate of 30.6 percent.

Academic Level of Applicants

Unlike the Cal Grant A program, where most applicants are either high school seniors or students already enrolled in college, or the Cal Grant B program, whose applicants were either high school seniors or others who had not yet begun their postsecondary educations, the Cal Grant C program attracted an older and more diverse group of applicants. While 34.7 percent of its recipients were 18 or 19 year olds, another 18.5 percent were in their late 20s, and 21.4 percent were at least 30 years of age.

The varied ages and educational backgrounds of Cal Grant C applicants are reflected in their educational levels, as Table 40 shows. In 1980-81, 72.9 percent had no postsecondary education or training and were seeking grants for their first year of vocational training. At least half of this group were probably high school seniors, while the others were older individuals seeking vocational training or retraining after having worked for a number of years. The other 27.1 percent were already enrolled in their training program or had completed some college work elsewhere in an academic program.

By 1983-84, 3,063 more applicants than in 1980-81 were already enrolled at vocational schools or who had prior collegiate course work, and they now accounted for nearly four out of every ten applicants. There were also 2,085 more high school seniors applying, but they now constituted only 61 percent of the total, compared to 73 percent four years earlier.

TABLE 40 Number of Cal Grant C Applicants by Academic Level and Segment, 1930-81 to 1983-84

Segment and Level	1980-81 #	1980-81 %	1981-82 #	1981-82 %	1982-83 #	1982-83 %	1983-84 #	1983-84 %	Change 1980-81 to 1983-84 Number	Change 1980-81 to 1983-84 Percent
Community Colleges										
Level 1	4,073	74.2%	5,435	68.2%	5,781	65.5%	5,4[illegible]7	60.0%	+1,424	+ 35.0%
Level 2	1,043	19.0	1,824	22.9	2,258	25.6	2,683	29.3	+1,640	+157.2
Level 3	292	5.3	541	6.8	618	7.0	765	8.3	+ 473	+162.0
Level 4	81	1.5	173	2.2	170	1.9	222	2.4	+ 141	+174.1
Independent										
Level 1	596	74.9	747	71.3	740	73.0	733	70.5	+ 137	+ 23.0
Level 2	110	13.8	158	15.1	171	16.9	205	19.7	+ 95	+ 86.4
Level 3	59	7.4	109	10.4	78	7.7	77	7.4	+ 18	+ 30.5
Level 4	31	3.9	33	3.2	25	2.5	25	2.4	- 6	- 19.4
Proprietary and Other Private										
Level 1	1,764	69.4	1,871	68.8	2,060	68.2	2,272	60.7	+ 508	+ 28.8
Level 2	541	21.3	614	22.6	656	21.7	1,100	29.4	+ 559	+103.3
Level 3	170	6.7	172	6.3	233	7.7	286	7.6	+ 116	+ 68.2
Level 4	65	2.6	64	2.4	71	2.4	87	2.3	+ 22	+ 23.1
All Segments										
Level 1	6,440	72.9	8,064	68.6	8,587	66.7	8.535	61.0	+2,085	+ 32.4
Level 2	1,697	19.2	2,600	22.1	3,086	24.0	3,999	28.6	+2,302	+135.6
Level 3	522	5.9	798	6.[illegible]	931	7.2	1,132	8.1	+ 610	+116.9
Level 4	177	2.0	272	2.3	267	2.1	328	2.3	+ 151	+ 85.3

Note: Level 1 is high school seniors or others who have not yet begun postsecondary education; 2, postsecondary students who have not yet completed 24 semester units; 3, postsecondary students who have completed from 24 to 60 units; and 4, those who have completed more than 60 semester units of academic or vocational education at a postsecondary institution.

Source: CSAC Applicant/Recipient Data Tapes

The most pronounced shift in the proportion of high school seniors compared to those with prior academic or vocational education occurred in the Community Colleges and at proprietary and other private institutions. At the Community Colleges, the percentage of all applicants who were high school seniors dropped sharply from 74 to 60 percent, and at proprietary institutions it declined from 73 to 61 percent. A similar trend was evident at independent institutions, but the shift was less pronounced and the numbers involved were much smaller.

The Dependency Status of Applicants

The increasing number of older applicants produced a marked shift in the ratio of financially dependent to independent applicants, as Table 41 shows. In 1980-81, nearly 70 percent of all applicants were younger students dependent on their parents for help in meeting the cost of attendance. By 1983-84 the number of dependent applicants had increased by 39.2 percent, but they now comprised only 62.4 percent of the total.

The rapid growth in numbers of independent or self-supporting applicants was particularly striking in the Community Colleges, where in four years they increased by 2,324, or by 139.3 percent. The growth of independent applicants in these colleges accounted for 84.4 percent of the overall increase in such applicants. In no other segment was their growth as rapid or significant.

Family Income of Dependent Applicants

Table 42 on page 89 shows how the family-income distribution of financially dependent applicants has changed over the past four years. Nearly half of all dependent Community College applicants come from families with incomes below $12,000, as did nearly 30 percent of all applicants at independent and proprietary institutions. All three segments had even larger concentrations of applicants in the lower-middle-income range.

TABLE 41 Dependency Status of Cal Grant C Applicants by Segment, 1980-81 to 1983-84

Segment and Status	1980-81 Number	1981-82 Number	1982-83 Number	1983-84 Number	Change 1980-81 to 1983-84 Number	Change 1980-81 to 1983-84 Percent
Community Colleges						
Dependent	3,821	4,940	5,163	5,169	+ 1,348	+ 35.3%
Independent	1,668	3,033	3,664	3,992	+ 2,324	+ 139.3
Independent						
Dependent	613	807	808	834	+ 221	+ 36.0
Independent	183	240	206	206	+ 23	+ 12.6
Proprietary and Other Private						
Dependent	1,825	1,962	2,127	2,690	+ 865	+ 47.4
Independent	655	750	889	1,053	+ 398	+ 60.8
All Segments						
Dependent	6,269	7,723	8,106	8,728	+ 2,459	+ 39.2
Independent	2,507	4,032	4,761	5,260	+ 2,753	+ 109.8

Source: CSAC Applicant/Recipient Data Tapes

TABLE 42 Family Income Distribution of Financially Dependent Cal Grant C Applicants by Segment, 1980-81 to 1983-84

Segment and Income in Thousands	1980-81 #	1980-81 %	1981-82 #	1981-82 %	1982-83 #	1982-83 %	1983-84 #	1983-84 %	Change 1980-81 to 1983-84 Number	Change 1980-81 to 1983-84 Percent
Community Colleges										
Under $12	1,902	49.8%	2,292	46.4%	2,442	47.3%	2,429	46.9%	+ 527	+ 27.7%
$12-23,999	1,401	36.6	1,718	35.8	1,748	33.9	1,719	33.3	+ 318	+ 22.7
$24-35,999	440	11.5	744	15.0	715	13.8	728	14.1	+ 288	+ 65.4
$36-41,999	53	1.4	104	2.1	125	2.4	147	2.8	+ 94	+177.4
$42 and Up	25	0.7	82	1.7	133	2.6	146	2.8	+ 121	+484.0
Independent										
Under $12	201	32.8	265	32.9	249	30.8	226	27.1	+ 25	+ 12.4
$12-23,999	219	35.7	292	36.1	264	32.6	268	32.1	+ 49	+ 22.4
$24-35,999	148	24.1	188	23.3	205	25.4	203	24.3	+ 55	+ 37.2
$36-41,999	31	5.0	38	4.7	45	5.6	70	8.4	+ 39	+125.8
$42 and Up	14	2.2	30	3.7	45	5.6	67	8.0	+ 53	+378.6
Proprietary and Other Private										
Under $12	621	34.0	606	30.8	630	29.7	804	29.9	+ 183	+ 29.5
$12-23,999	686	37.6	675	34.4	695	32.7	876	32.5	+ 190	+ 27.7
$24-35,999	380	20.8	465	23.7	447	21.0	585	21.8	+ 205	+ 53.9
$36-41,999	80	4.4	119	6.1	162	7.6	168	6.2	+ 88	+110.0
$42 and Up	58	3.1	97	5.0	193	9.1	249	11.2	+ 191	+329.3

Source: CSAC Applicant/Recipient Data Tapes

Although the Cal Grant C program uses the same income ceiling for eligibility as the Cal Grant A program, considerably fewer of its applicants have had incomes above the ceiling. The number of dependent applicants from families with incomes over $42,000 increased in this period, but it never exceeded 3 percent in the Community Colleges, 8 percent in independent institutions, and 11 percent among proprietary and other private institutions.

Income Distribution of Financially Independent Applicants

The Community Colleges had the largest number of self-supporting applicants and experienced a greater increase in these applicants than the other two participating segments combined, as Table 43 on page 90 shows. The number of self- supporting Community College applicants with incomes below $3,000 doubled between 1980-81 and 1983-84; the number with incomes between $3,000 and $6,000 increased by 74 percent; and those in higher income levels increased between three and four fold.

TABLE 43 Student and Spouse Income of Financially Independent Cal Grant C Applicants by Segment, 1980-81 to 1983-84

Segment and Income in Thousands	1980-81 #	1980-81 %	1981-82 #	1981-82 %	1982-83 #	1982-83 %	1983-84 #	1983-84 %	Change 1980-81 to 1983-84 Number	Change 1980-81 to 1983-84 Percent
Community Clleges										
Under $3	855	51.2%	1,424	47.0%	1,558	42.5%	1,709	42.8%	+854	+ 99.9%
$3-5,999	560	33.6	848	28.0	909	24.8	976	24.4	+416	+ 74.3
$6-8,999	164	9.8	501	16.5	739	20.2	798	20.0	+634	+386.6
$9-11,999	57	3.4	160	5.3	280	7.6	335	8.4	+278	+487.7
$12 and Up	32	1.9	100	3.3	182	5.0	174	4.4	+142	+443.8
Independent										
Under $3	82	44.8	109	45.4	98	47.6	98	47.6	+ 16	+ 19.5
$3-5,999	51	27.9	72	30.0	57	27.7	54	26.2	+ 3	+ 5.9
$6-8,999	24	13.1	30	12.5	25	12.1	30	14.6	+ 6	+ 25.0
$9-11,999	10	5.5	15	6.2	15	7.3	12	5.8	+ 2	+ 20.0
$12 and Up	6	3.3	14	5.8	10	4.8	12	5.8	+ 6	+100.0
Proprietary and Other Private										
Under $3	292	44.6	302	40.3	356	40.0	381	36.2	+ 89	+ 30.5
$3-5,999	209	31.9	234	31.2	237	26.6	307	29.2	+ 98	+ 46.9
$6-8,999	74	11.3	98	13.1	180	20.2	193	18.3	+119	+160.8
$9-11,999	29	4.4	49	6.5	58	6.5	84	8.0	+ 55	+189.6
$12 and Up	47	7.2	67	8.9	58	6.5	88	8.4	+ 41	+ 87.2

Source: CSAC Applicant/Recipient Data Tapes

There were 173 self-supporting applicants at independent institutions in 1980-81 and 206 four years later. Nevertheless, their income distribution did not change significantly. The number of self-supporting applicants were larger at proprietary institutions, but again no dramatic shifts occurred in their income distribution.

PROGRAM PROVISIONS AFFECTING THE DISTRIBUTION OF NEW CAL GRANT C AWARDS

No major segmental shifts took place in the distribution of Cal Grant C awards, yet four program provisions affected the selection process: (1) methods for setting and adjusting the family income ceiling; (2) statutory limits on the number of new awards; (3) designation of occupational fields with labor market shortages; and (4) the six elements in the Cal Grant C scoring system. Each is examined in the following sections

Setting and Adjusting the Family Income Ceiling

Throughout this period, eligibility for the Cal Grant C program was based on financial need and the same variable income ceiling used by the Cal Grant A program. Since 1981-82, that ceiling has not been adjusted for inflation. This has made some applicants who were once eligible for the Cal Grant C program ineligible simply because of the impact of inflation on their families' incomes. The number of such applicants has increased, particularly at independent and proprietary institutions, where they accounted for 8 and 11 percent of all dependent applicants, respectively, by 1983-84. As a result, the adverse affect of inflation on eligibility has been less severe for Cal Grant C applicants than for many in the Cal Grant A program because a greater percentage of Cal Grant C applicants are self supporting and fewer are from families with incomes near the ceiling.

Statutory Limits on the Number of New Awards

The number of new Cal Grant C awards is set by statute at 1,337 a year and, with the exception of 1979-80 and 1980-81, has remained at that level since 1975-76. This number is less than one-tenth the number of new grants in the Cal Grant A program and less than one-fifth the authorized number in the Cal Grant B program.

As earlier pages have shown, the number of needy eligible applicants has increased in all three grant programs while the number of authorized new awards has not. Moreover, the ratio of needy eligible Cal Grant C applicants to awards was already high at five to one in 1980-81, but increased more rapidly than in any other program over the next four years. By 1983-84 it reached more than nine to one, meaning that eight students applied for a new Cal Grant C and were turned down for every one who received a new grant. This rejection rate was more than double that in either of the other two programs.

Designation of Occupations with Labor Market Shortages

The enabling legislation creating the Cal Grant C program stated that it would provide grants in vocational-technical fields in which there were labor market shortages. Following the creation of the program in 1973-74, the Student Aid Commission established a list of occupational training programs in fields that were faced with such shortages and required that applicants must be seeking training in one of these fields to be eligible for consideration for a grant. Since that time, however, the list of eligible occupational training areas has not been updated, and yet the labor market shortage areas of the early 1970s are unlikely to be the same as those existing now or anticipated in the latter 1980s. The Auditor General apparently agreed and issued an opinion earlier this year directing the Student Aid Commission to revise its procedures for designating such fields and to develop a new list. A consultant was hired and his report adopted at the Student Aid Commission's October 1985 meeting, but it will not be until next year before advisory committees can meet to establish the new list. In the interim, the original list of eligible programs continues to be used.

Elements in the Cal Grant C Scoring System

There are six elements in the Cal Grant C scoring system designed to assess applicants' prior preparation and course work, their employment history, involvement in vocationally-related clubs or activities, their reasons for selecting the proposed training program, and a teacher or employer recommendation. Each is weighted separately and then they are totaled to determine the applicant's final score, with 100 points as the maximum.

The applicant's high school grade-point average counts for a maximum of 15 points. It is weighted less heavily in the Cal Grant C program than in the other two grant programs because many Cal Grant C applicants left high school many years prior to applying for these grants and because much of their high school course work is not likely to relate directly to the training program they hope to undertake.

The applicant's educational history in vocational-technical course work counts for up to ten additional points.

A work history is required, listing all the jobs the applicant has held, whether or not related to the proposed course of study, and it counts for up to additional ten points. So does the listing of other qualifications, including clubs, hobbies, or other vocationally related activities.

An applicant is also required to explain the reasons for selecting the particular program by responding to ten questions. These subjective questions about motives count for up to 30 points in the final score.

Finally, the applicant must submit a teacher or employer recommendation evaluating his or her skills, vocational-technical competence, and potential. This last important part of the scoring system can receive up to 25 points.

DISTRIBUTION AND CHARACTERISTICS OF NEW CAL GRANT C RECIPIENTS

As a result of the fixed number of first-time Cal Grant C awards and the sharply increased competition for them, the distribution and characteristics of new recipients have shifted over the past four years.

Number of New Recipients

Table 44 on page 93 summarizes the minor shifts that have occurred in the segmental distribution of new award winners since 1980-81. In that year, 673 new recipients attended Community Colleges, 166 went to independent institutions, and 535 enrolled at proprietary institutions, including 18 at hospital schools offering registered nursing programs. The following year, the number of Community College recipients increased by 87 but then began a two-year decline that left these colleges with 37 fewer recipients in 1983-84 than they had had four years earlier despite an increase of 3,572 additional applicants. The independent institutions experienced a slight decline of 16 new recipients between 1980-81 and 1983-84, while proprietary institutions posted a small increase.

Academic Level of New Recipients

As noted earlier, the Cal Grant C program experienced a marked increase in older applicants, including some seeking grants for job retraining, others switching to vocational programs after beginning academic programs elsewhere, and still others seeking grants to help them finance their second year of training. This substantial increase in older applicants is reflected in Table 45 on page 94 the increase of new recipients at Level 2 or above. The number of Level 1 recipients -- high school seniors and others who had no prior postsecondary education -- declined by 117 overall, while those at Level 2 or above rose.

Dependency and Income Level of New Recipients

Table 46 on page 95 shows the two shifts that have occurred in the past four years in the number of financially dependent and independent recipients and

TABLE 44 Number of New Cal Grant C Recipients by Segment, 1980-81 to 1983-84

Segment	1980-81 Number	1981-82 Number	1982-83 Number	1983-84 Number	Change 1980-81 to 1983-84 Number	Change 1980-81 to 1983-84 Percent
Community Colleges	673	766	700	636	- 37	- 5.5%
Independent	166	138	149	150	- 16	- 9.6
Proprietary and Other Private	535	433	488	549	+ 14	+ 2.6
All Segments	1,374	1,337	1,337	1,337	- 37	- 2.7

Note: In 1983-84, two first-time recipients attended a State University campus. This was the first time that any State University or University campuses participated in the program.

Source: CSAC, October 1983 Agenda, Tab J.

TABLE 45 Number of New Cal Grant C Recipients by Academic Level and Segment, 1980-81 to 1983-84

Segment	1980-81		1981-82		1982-83		1983-84		Change 1980-81 to 1983-84	
and Level	Number	%	Number	%	Number	%	Number	%	Number	Percent
Community Colleges										
Level 1	336	49.9%	382	49.9%	281	40.1%	223	35.1%	- 113	- 33.6%
Level 2	223	33.1	244	31.8	268	38.3	253	39.8	+ 30	+ 13.4
Level 3	74	11.0	101	13.2	106	15.1	110	17.3	+ 36	+ 48.6
Level 4	40	5.9	39	5.1	45	6.4	50	7.9	+ 10	+ 25.0
Independent										
Level 1	122	73.5	109	78.9	106	71.1	96	64.0	- 26	- 21.3
Level 2	19	11.4	12	8.7	18	12.1	26	17.3	+ 7	+ 36.8
Level 3	13	7.8	8	5.8	10	6.7	17	11.3	+ 4	+ 30.8
Level 4	12	7.2	9	6.5	15	10.1	11	7.3	- 1	- 8.3
Proprietary and Other Private										
Level 1	316	59.1	259	59.8	265	54.3	307	56.9	- 9	- 4.4
Level 2	134	25.0	117	27.0	122	25.0	147	26.6	+ 11	+ 8.2
Level 3	51	9.5	35	8.1	60	12.3	55	9.8	+ 4	+ 7.8
Level 4	34	6.4	22	5.1	41	8.4	40	6.8	+ 6	+ 17.6
All Segments										
Level 1	744	56.3	750	56.1	652	48.8	627	46.9	- 117	- 15.7
Level 2	376	27.4	373	27.9	408	30.5	427	31.9	+ 51	+ 13.6
Level 3	138	10.0	144	10.8	176	13.2	182	13.6	+ 44	+ 31.9
Level 4	86	6.3	70	5.2	101	7.5	101	7.6	+ 15	+ 17.4

Note: Level 1 is high school seniors or others who have not yet begun postsecondary education; 2, postsecondary students who have not yet completed 24 semester units; 3, postsecondary students who have completed from 24 to 60 units; and 4, those who have completed more than 60 semester units of academic or vocational education at a postsecondary institution.

Source: CSAC, October 1983 Agenda, Tab J.

in the family-income distribution of dependent recipients. The first was an increase in the number of independent or self-supporting recipients in every segment.

TABLE 46 Income Distribution of Financially Dependent Cal Grant C Recipients by Segment, 1980-81 to 1983-84

Segment and Income Level	1980-81 Number	1981-82 Number	1982-83 Number	1983-84 Number	Change 1980-81 to 1983-84 Number	Change 1980-81 to 1983-84 Percent
Community Colleges						
Under $12,000	112	103	110	83	- 29	- 25.9%
$12,000-23,999	170	156	141	107	- 63	- 37.0
$24,000-35,999	38	68	51	33	- 5	- 13.2
$36,000-41,999	0	3	1	8	+ 8	+ 21.0
$42,000 and Up	0	0	0	0	0	--
Total Dependent	320	330	303	231	- 99	- 30.9
Independent	353	436	397	405	+ 52	+ 14.7
Independent						
Under $12,000	36	30	39	32	- 4	- 11.1
$12,000-23,999	58	44	38	46	- 12	- 20.7
$24,000-35,999	39	38	43	31	- 8	- 20.5
$36,000-41,999	0	2	8	4	+ 4	--
$42,000 and Up	0	0	0	0	0	--
Total Dependent	133	114	128	113	- 20	- 15.3
Independent	33	24	21	37	+ 4	+ 12.1
Proprietary and Other Private						
Under $12,000	137	84	109	99	- 38	- 27.7
$12,000-24,999	166	126	144	148	+ 18	+ 10.8
$24,000-35,999	81	73	97	98	+ 17	+ 21.0
$36,000-41,999	0	13	19	16	+ 16	--
$42,000 and Up	0	1	0	0	0	--
Total Dependent	384	297	369	361	- 23	- 6.0
Independent	151	136	119	188	+ 37	+ 24.5

Source: CSAC Applicant/Recipient Data Tapes

While this shift was a product of the marked increase in older, self-supporting applicants, including some with prior postsecondary education, the available Cal Grant C awards were distributed on the basis of the program's scoring system without regard to the applicant's age or education level. Second, the increase of self-supporting recipients led to a decrease in the number of dependent recipients. Most of these losses occurred among those from families with incomes below $24,000.

Ethnic Composition of New Recipients

The Cal Grant C program provides a limited number of vocational training grants for financially needy talented applicants, including many ethnic minority students; Table 47 below shows the ethnic composition of new recipients in this program, which differed from that of both Cal Grant A and B recipients. Although their numbers were smaller, there was a greater percentage of Black and Hispanic recipients and a substantilly lower percentage of Asians in the Cal Grant C program than in the Cal Grant A program. And although the percentage of Black recipients in the Cal Grant B and C programs were similar in 1983-84, the percentage of Hispanics and of Asians were considerably lower and the percentage of whites substantially higher in the Cal Grant C program than in Cal Grant B.

CAL GRANT C RECIPIENTS, PELL GRANTS, AND REMAINING NEED

The tuition-grant portion of Cal Grant C awards for recipients attending independent and proprietary institutions has not increased since the program's inception in 1973-74. As a result, the grants' coverage of tuition and required fees has declined even more rapidly than in the Commission's other two programs and now covers less than 45 percent of average tuition and fees for its recipients. Furthermore, the maximum $2,000 tuition grant in the Cal Grant C program is considerably less than the maximum $3,400 grants in the other two programs.

The $500 portion of the Cal Grant C award that covers educationally-related costs has also never been increased. While the relationship between this amount and actual training-related costs varies widely, depending on the type of vocational-technical training program undertaken, it covers a smaller proportion of those costs now than it did four years ago.

TABLE 47 Ethnic Composition of New Cal Grant C Recipients, 1980-81 to 1983-84

	1980-81		1981-82		1982-83		1983-84		1980-81 to 1983-84
Ethnicity	Number	%	Number	%	Number	%	Number	%	Number
American Indian	21	1.5%	20	1.5%	20	1.5%	13	1.0%	- 8
Black	168	12.2	140	10.5	169	12.6	159	11.9	- 9
Hispanic	247	18.0	202	15.1	242	18.1	231	17.3	-16
Filipino	15	1.1	15	1.1	20	1.5	26	1.9	+11
Asian	37	2.7	43	3.2	67	5.0	57	4.3	+20
White	756	55.0	846	63.3	791	59.2	696	52.0	-60
Other	67	4.9	13	1.0	12	0.9	33	2.5	-34
Unknown	63	4.6	58	4.3	16	1.2	122	9.1	+59

Source: CSAC, October 1983 Agenda, Tab J

Costs for vocational-technical training programs have risen in recent years as they have throughout postsecondary education. These students are often eligible for Pell Grants, Guaranteed Student Loans, and sometimes federal campus-based aid, depending on the institution attended, but Community College and proprietary institutions often participate in a more limited range of aid programs than most four-year institutions, have less fully-staffed financial aid offices, and rarely have significant amounts of institutional grant funds to assist their needy vocational students.

The short duration of most vocational-technical training programs has often made their students depend heavily on loans to help finance their education. The failure of the Cal Grant C program to expand the number of new grants at a time when vocational students were increasing rapidly or to raise the size of its grants in the face of higher tuition, fees, and other training costs has meant that the program served a shrinking portion of financially needy vocational students statewide. Furthermore, even those who secured Cal Grant C awards had an ever-shrinking portion of their school costs covered by this grant.

RENEWAL OF CAL GRANT C AWARDS

The only vocational training program of more than two years duration that is eligible for Cal Grant C coverage is hospital-based registered nurse training. Most of the other eligible training programs range from as little as four to six months duration to as long as two years, so the typical Cal Grant C recipient is eligible to renew his or her grant only for one additional year.

Table 48 below shows the number of renewal recipients between 1980-81 and 1983-84. There were slight declines in the number of renewal recipients in all except the Community Colleges, where their number increased slightly. Of more interest was the general relationship between the number of new and renewal

TABLE 48 Number of Cal Grant C Renewal Recipients by Segment, 1980-81 to 1983-84

	1980-81	1981-82	1982-83	1983-84	Change 1980-81 to 1983-84	
Segment	Number	Number	Number	Number	Number	Percent
Community Colleges	584	618	598	598	+ 14	+ 2.4%
Independent	62	62	53	39	- 23	- 37.1
Proprietary and Other Private	285	266	260	252	- 33	- 11.6
All Segments	931	946	911	889	- 42	- 4.5

Source: CSAC, October 1983 Agenda, Tab J recipients in the three segments. In the Community Colleges, the number of renewal recipients nearly equalled the number of new recipients the prior year, showing that most Cal Grant C recipients in these colleges were enrolled in two-year training programs and normally renewed their grants for a second year. At independent and proprietary institutions, on the other hand, there were roughly half as many renewal as new recipients, suggesting that more recipients enrolled in single-year programs or that their renewal rates were somewhat lower.

REFERENCES

California Postecondary Education Commission. *Meeting the Costs of Attending College: A Staff Analysis of the Demographic Characteristics and Financial Circumstances of California Undergraduates*. Commission Report 84-15. Sacramento: The Commission, April 1984.

California State University Chancellor's Office. *Those Who Stay, Phase II*. Long Beach: The Chancellor's Office, 1979.

California Student Aid Commission. *Commission Agenda*. Sacramento: The Student Aid Commission. October 1983.

College Scholarship Service. *CSS Need Analysis: Theory and Computation Procedures for the 1982-83 FAF*. New York: College Entrance Examination Board, 1982.

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

1020 Twelfth Street, Sacramento, California 95814 Telephone (916) 445-7933

A state agency created in 1974 to assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs through statewide planning and coordination.

MEMBERS

Representing the General Public:

Seth P. Brunner, Chairperson	Sacramento
C. Thomas Dean	Long Beach
Seymour M. Farber	San Francisco
Patricia Gandara	Sacramento
Ralph J. Kaplan	Beverly Hills
Roger C. Pettitt	Los Angeles
Sharon N. Skog	Mountain View
Thomas E. Stang, Vice Chairperson	Los Angeles
Stephen P. Teale	Modesto

Representing the Regents of the University of California:

Sheldon W. Andelson	Los Angeles

Representing the Trustees of The California State University:

Claudia H. Hampton	Los Angeles

Representing the Board of Governors of the California Community Colleges:

Peter M. Finnegan	San Francisco

Representing the Independent California Colleges and Universities:

Jean M. Leonard	San Mateo

Representing the Council for Private Postsecondary Educational Institutions:

Darlene M. Laval	Fresno

Representing the State Board of Education:

Angie Papadakis	Rancho Palos Verdes

ALTERNATE REPRESENTATIVES

Representing the Regents of the University of California:

Yori Wada	San Francisco

Representing the Trustees of The California State University:

Celia I. Ballesteros	San Diego

Representing the Board of Governors of the California Community Colleges:

Jane M. Tolmach	Oxnard